

Cranfield University

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Managing the Master Planning Process: How do
airport managers incorporate stakeholder
contribution in their final master plans?

School of Engineering

PhD Thesis
Academic Year 2013-2014

Supervisors: Dr. Romano Pagliari and Dr. Pietro Micheli

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ABSTRACT

This research seeks to connect the philosophical focus of the agency-structure debate with the practice of management through a comparative study of organisational decision-making in situations involving stakeholder consultation. Set in the context of decision-making following an airport master plan consultation, the study considers how the stakeholder framework can be integrated within institutional theory using institutional logics as a theoretical link between these two literatures.

This thesis, which adopts a critical realist perspective, takes a comparative case approach of four airports, each owned in different ways. Interviews with airport managers are supplemented by discussions with stakeholders and industry experts. Two sets of *a priori* themes were identified from the literature. The first focuses on the institutional logics prevailing in the field and their influence on managers as they make decisions. The second considers four decision-making strategies managers might employ in this situation.

Findings centre on the causal powers acting upon airport managers as they make their decisions. Whilst normative isomorphic pressure enables stakeholder consultation, the coercive pressure on the decision-making process deriving from English planning law, the adversarial and oscillating nature of Central Government policy, and a mimetic response to the nature of local authority development plans constrain the actions of airport managers. Indeed, the current bureaucratic form of capitalism limits stakeholder contribution to final master plans.

This research makes four main contributions: Firstly, reflecting upon the agency-structure debate from a critical realist perspective has facilitated development of a model integrating the stakeholder framework within institutional theory. Secondly, it improves our understanding of how stakeholder contribution is managed in master planning. Thirdly, the study adds to the

growing body of work that employs a critical realist perspective. Lastly, since reconciling conflicting stakeholder opinions may well be of vital importance to the future of the UK's airport infrastructure, this work has practical significance for airport managers, government policy-makers and stakeholders as they strive to formulate worthwhile airport consultations.

Key words: Agency-structure, airport master planning, bureaucratic capitalism, comparative case research, critical realism, decision-making, institutional logics, institutional theory, stakeholder consultation, stakeholder theory.

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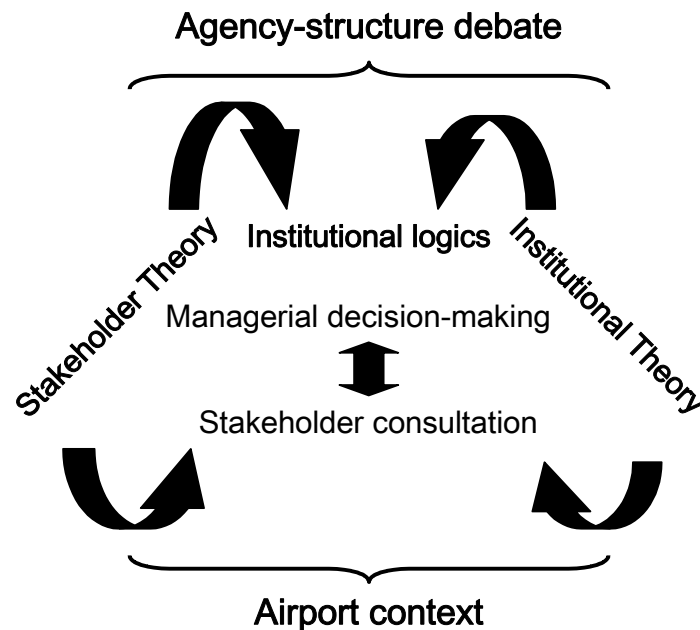
1 INTRODUCTION

1.1 Introduction

There is a long running and continuing debate in the social sciences over the primacy of either human agency or social structure in determining an individual, group, or indeed an organisation's behaviour. Whilst some theorists, notably Pierre Bourdieu and Anthony Giddens, have highlighted the complementary influences of agency and structure, the empirical relevance of this discourse is largely unestablished. This research seeks to connect the philosophical focus of the agency-structure debate with the practice of management through a comparative study of organisational decision-making in situations involving stakeholder consultation. The UK airport sector and specifically decision-making on master plan changes after consultation, provide a context in which to examine management practice. In this setting, the thesis aims to answer the research question "How do airport managers incorporate stakeholder contribution in their final master plans?" and to integrate the stakeholder framework within institutional theory through the medium of institutional logics.

Figure 1 shows the bodies of literature and themes interrogated for this thesis. Located in the broad church of the agency-structure debate, the research focuses on the place of agency in institutions. To date, institutional theorists have largely ignored the stakeholder framework (Parmar *et al*, 2010), a part of the agency literature. Given there is yet to be a, "*widely accepted economic model of the internal decision-making of firms*" (Kelsley and Milne, 2006, p. 566), there is potential to investigate how stakeholder theory, which "*foregrounds how managers across firms differentially interpret the role of the same institutions*" (Parmar *et al*, 2010, p. 41), can augment institutional research in this field. Institutional theory provides explanations of how the social world works (Meyer *et al*, 2009) and this study is particularly concerned with the macro level of institutional power or, "*Supraorganizational patterns of human activity*" (Friedland and Alford, 1991, p.243).

Figure 1 Main bodies of literature reviewed



Theoretical constructs emerging from the institutional literature are the contradictory ideologies called institutional logics (Alford and Friedland, 1985). Institutional logics are the underpinning rationale for opinion, which frame decision choices. This exploratory research examines how managers handle the conflicting opinion arising from the potentially irreconcilable underpinning logics of capitalism, bureaucracy, and democracy. The study, which adopts a qualitative form of investigation, aims to address the lack of clarity that exists for those who shoulder responsibility for dealing with complex value-choice issues (White, 2008). One of the contemporary issues in decision-making is how stakeholder concerns are addressed. Without empirical research, it is currently expected that simply involving stakeholders - listening to their point-of-view with a vague promise to act - will somehow resolve differences (Bond and Young, 2006), although a history of failed strategic decision-making in such circumstances (Nutt, 2002) would suggest otherwise.

An exciting context in which to explore the potential for the integration of stakeholder and institutional theories and focus on decision-making involving

stakeholder opinion arises from the events following the 1986 Airport Act and privatisation of UK airports. Government recommendation (Department for Transport, 2003) has left airport managers with the task of consulting with their stakeholders and deciding how to adjust their draft master plans to incorporate the opinions gathered. This responsibility is largely unsupported by either theoretical or empirical research, leaving a breach in both academic and practitioner knowledge.

1.2 Background and rationale for the research

Consultation with stakeholders has usually been a task undertaken by government. However, since the privatisation of many of the UK's airports, the private sector has been assigned this duty and must involve stakeholders in the development of their master plans (Department for Transport, 2003). Public sector organisations face different pressures and have different aims to those of the private sector. In a democracy, the public sector works to increase job opportunities and the economic wealth of the country (Anderson, 1997) whilst their regulators are responsible to the general public and must endeavour to protect their health and safety. The post-WW2 period has seen development become the primary ambition of nation states, with planning the dominant model used to achieve this (Hwang, 2006, p.70).

On the other hand, in a modern capitalist society, the institutional structure ensures that private sector organisations are run on behalf of their shareholders to whom managers must endeavour to return a profit (Anderson, 1997; Friedman, 1962; Friedman and Miles, 2006; Weiss, 1995). Society is increasingly pressuring business to engage in activities other than maximising short-term profit (Chen *et al*, 2009; Freeman and Auster, 2011) although as Weiss points out, a fundamental structural change would be required:

“if the interests of stakeholders are to become integral to the operation of the enterprise” (Weiss, 1995, p.1).

In the absence of a legal change, government regulation of the airport sector and the imposition of the master plan process put managers in a situation where they have a pivotal role in the consultation process. As such, they clearly have a conflict of interest, in that they are obliged to balance the interests of shareholders and other stakeholders (Weiss, 1995) as well as also having a preferred outcome themselves (March, 1988).

The empirical problem this research addresses is how airport managers, tasked with decision-making during the master plan process, react to the different

pressures on them to incorporate or exclude various stakeholder input. This is an area where little academic work has been undertaken and as Hargrave and Van de Ven point out:

“The management of contradictions is an important but undertheorized and underresearched aspect of institutional work.”

(Hargrave and Van de Ven, 2009, p. 134)

It is also a topical and significant issue, given the current debate on how, where or indeed whether to increase the capacity of the UK's airport infrastructure.

March (1988) reminds us that, in terms of decision-making when there is conflicting opinion about 'best' options (preference ordering), political theories usually focus on the process by which decisions are reached without the explicit comparison of utilities. Indeed, in many democratic countries around the world there is a growing trend for governments to involve the public in interactive decision-making processes such as through citizen panels, community governance, and open planning procedures. This interaction is undertaken in order to reduce the time decisions take to implement, which in the case of runway projects, can be considerable. Stakeholder resistance, narrowing any perceived gap between government and the public, improving decisions in situations where there are complex interdependencies between stakeholders, and addressing concerns that solutions are not sufficiently inventive are the most common reasons given for interactive decision-making (Edelenbos and Klijn, 2004).

An interactive approach to decision-making is in sharp contrast to theories of firms, which are usually based on the unifying effect of a superordinate goal for utility maximisation (such as profit or revenue maximisation) for allocating resources and resolving conflict. As such, the research on decision-making generally considers organisations as they encounter problems such as failing to meet targets relating to, for example, profit levels, number of sales, or position relative to a competitor (March, 1988). An organisation faced with such a problem will next undertake a search for solutions and, motivated to reduce

conflict, will select a solution in the form of an alternative course of action that is predicted to meet the objective (March *et al*, 1958; Mintzberg and Westley, 2001; Simon, 1960). Decision-making contrasts problem solving, where the former indicates a choice between a number of existing and identified solutions. The latter denotes the rejection of existing alternatives and the invention of a new solution that differs from all currently available alternatives (Scharf, 1990; Solem, 1992), and creates value for stakeholders (Parmar *et al*, 2011).

This study provides a unique opportunity to investigate how stakeholder and institutional theories interact in a situation where an organisation is compelled to involve stakeholders to identify problems. Comparing a number of different airports within the UK creates an opportunity to pursue the social ontological question of how agency and structure act together. Indeed, Freeman and his colleagues point out that:

“stakeholder theory can help address why organizations in similar institutional environments may . . . have different systems and processes” (Parmar *et al*, 2011, p. 41).

The rationale for empirical research in this field is to address the sparse information available to airport managers, government, NGOs, and other stakeholders on how stakeholders' opinions are addressed in the development of airport master plans. In particular, little is known about how the results of consultation are taken into account and how they affect the changes that occur between draft and final master plans. Given that government has made airport master planning almost mandatory and consultation a key part of this process, little or no academic research has investigated how the various and often conflicting opinions of stakeholders are managed. This deficiency in the academic and practitioner literatures contrasts its importance in the future development of the UK's airports as well as in stakeholder involvement in many other situations.

1.3 Aims and objectives

Understanding the influences on airport development in a post-privatisation era, and thereby contributing to both academic and practitioner knowledge, provides the aspiration for this PhD. The research has four main aims, which emanate from both theory and practice. For each aim, a number of specific objectives have been defined. The overarching aims of the study are to:

- Explore the potential to incorporate the stakeholder framework within institutional theory through the medium of institutional logics.
- Investigate how the opinions of stakeholders influence changes between draft and final airport master plans.
- Add to knowledge of critical realism in action.
- Improve the way in which stakeholder participation in airport master planning is utilised and assist future development of government policy to support airport consultations.

The first aim is to explore the potential to incorporate the stakeholder framework within institutional theory through the medium of institutional logics. To achieve this aim, firstly the overlaps and tensions between stakeholder and institutional theories are identified (see Chapters 2 and 4). Secondly, an account of consultation and decision-making from both institutional and stakeholder perspectives is provided (see Chapters 2 and 3). Lastly, the means by which the stakeholder and institutional literatures can be integrated is presented (see Chapter 7).

The second aim is the province of both the literature review and the empirical research and involves investigating how the various and often conflicting opinions of stakeholders influence changes between draft and final airport master plans. The study aims to, “*capture the rich ambiguity of politics and planning*” (Flyvbjerg, 2006, p. 237) in the context of the UK airport sector by examining how, in practice, airport managers incorporate different stakeholder

arguments into their master plan. This aim includes an examination of the context - the unwritten rules of the game - in which case airports operate, a vital component of research of this type (Ackroyd, 2009; Lecca and Naccache, 2006). A number of objectives that quantify the achievement of this aim have been defined and are shown in Table 1.1 on page 9.

The third aim of the study is to enhance the growing body of work that employs a critical realist methodology. This methodology and the justification for its employment in this particular research situation are explained in detail in Chapter 5. The first objective under this aim is to carry out a study consistent with this philosophical approach. Critical realist research generally follows a three-stage method of observing connections between phenomena, proposing structures or mechanisms to explain the relationship, and proving these structures are 'real' (Blaikie, 1993). As such, a further objective of the study is to analyse and present the findings so as to focus on exposing the underlying causal mechanisms (Bhaskar, 1978; Blaikie, 1993) at work as airport managers decide how to finalise their master plans following a stakeholder consultation.

The final aim is normative in that it aspires to inform and improve existing activity in both management practice and government policy-making. This aim therefore has two objectives: The first is to inform airport managers charged with incorporating stakeholder opinion in their master plans. The second is to draw government attention to how current policies and legal constraints impact on stakeholder participation. It is hoped this work will assist the future development of government policy and improve the way stakeholders participate in airport master planning. Chapters 7 and 8 discuss these findings and recommendations. Table 1.1 summarises the aims and objectives of this study.

Table 1.1 Aims and objectives of the research

Aim	Objective
Explore the potential to incorporate the stakeholder framework within institutional theory through the medium of institutional logics	Define the overlaps and tensions between stakeholder and institutional theories
	Provide an account of consultation and decision-making from institutional and stakeholder perspectives
	Produce a framework integrating the stakeholder and institutional literatures
Investigate how the opinions of stakeholders influence changes between draft and final airport master plans	Provide a detailed analysis of the institutionally situated and complex motivations, interests, and power at play when airport managers update their master plans to final versions
	Establish whether institutional context varies for case airports and what causes any identified variation
	Investigate whether or not the way in which the institutional logics of stakeholder arguments are prioritised is dependent upon the context in which the airport operates
	Show the awareness, skill, and reflexivity of managers in the decision-making process (this and the following two objectives follow Lawrence <i>et al</i> , 2009, p. 7)
	Provide a narrative of how individual and collective actors understand their institutional context

	Define the boundaries of action possible within the institutional context
Add to knowledge of critical realism in action	Carry out a study consistent with the critical realist philosophical approach
	Analyse and present the findings so as to focus on exposing the causal mechanisms at work
Improve the way in which stakeholder participation in airport master planning is utilised and assist future development of government policy to support airport consultations.	Inform airport managers so they can improve the way they handle stakeholder participation in master planning
	Bring to the attention of government policy makers the way in which the current context affects stakeholder participation in airport master planning so future policy can be more effective

More general objectives of this PhD are to:

- Meet the requirements for the degree of doctor of philosophy.
- Enhance academic knowledge.
- Improve practitioner knowledge.
- Disseminate the findings and conclusions to practitioner and academic audiences.
- Identify areas for further research.

A list of definitions of the key concepts used in the thesis is presented in Appendix 1.

1.4 Constraints and limitations

The constraints or delimitations of a study are the boundaries the researcher (or their sponsor, if they have one) imposes during the selection of their research questions (Cline, undated). This contrasts the limitations of the study, which refer to conditions or influences that cannot be controlled by the researcher. In the case of this thesis, the very broadest delimitation, imposed because of the researcher's background and interest, was that the study should be contained within the field of airport management. The period since the 1986 Airports Act and the privatisation and commercialisation of the UK's airports provide a timeframe and geographical focus for the research. Because of the UK's unique institutional context, particularly since the sale of the nation's airport infrastructure, the research is limited to the UK and includes a range of airports that are owned in a variety of different ways.

Coinciding with airport privatisation, the term 'stakeholder' was coined by Professor Ed Freeman and heralded a new era in participatory governance and citizen involvement (Hickey and Mohan, 2004). As part of the corporate social responsibility (CSR) movement, the public sector instigated a process of stakeholder consultation in many of their strategic planning activities. This passed to the private sector after the privatisation of UK airports, when consulting with stakeholders became a key part of the guidelines on master planning. The researcher therefore elected to delimit this study to an examination of how airport managers, in practice, take account of stakeholder opinion in the master plan process.

A lengthy process of scoping the review of the literature culminated in the choice of the stakeholder and institutional literatures, with supplementary evidence provided from planning and decision-making. Constraining the literature in this way highlighted the problems of incorporating agency into the deterministic view of institutional theory (Thornton and Ocasio, 2008) and particularly the lack of integration between the stakeholder framework and

institutional theory (Parmar *et al*, 2010) and provided an exciting opportunity to progress knowledge in this field.

The limitations of a study are the particulars of the research design and methodology that define the generalisability of the findings. At present, there are few examples where private industry is compelled to consult with stakeholders in order to finalise their strategic plans. Examples that do exist are almost exclusively from previously nationalised infrastructure-type industries such as the nuclear power industry and, of course, the airport sector. The findings from this study are therefore limited to such situations where non-governmental organisations are compelled to incorporate the views of internal and external stakeholders in their strategic decision-making. However, should the tendency of the government to promote 'ethical' and 'sustainable' means of doing business be widened to include other industrial sectors, the findings from this research should provide assistance.

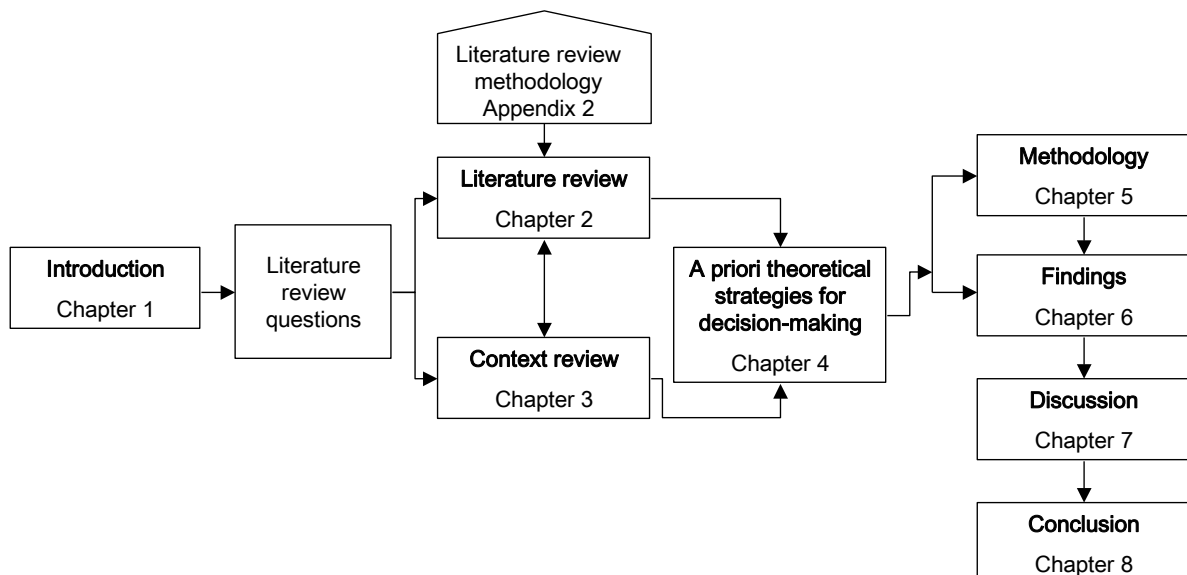
The empirical phase of this research has been undertaken as a qualitative comparative case study, allowing for comparisons to be made between cases, particularly where the cases have been chosen to differ across a key variable (Elger and Smith, 2005). However, the generalisability of the findings from a qualitative study is contested and many positivist researchers continue to favour a quantitative methodology. Conversely, positivist survey research has been criticised in studies of this type, involving a number of organisations, for its inability to explain the day-to-day realities experienced by managers (Elger and Smith, 2005). Indeed, survey research generally has been criticised for its inflexibility, artificiality and inability to accommodate institutional influences (Easterby-Smith *et al*, 2008). No attempt is made here to conclude this debate. The researcher merely strives for methodological consistency within a critical realist philosophical approach, where specific outcomes can be attributed to causal mechanisms operating in particular contexts (Ackroyd (2004). The research is contemporaneous in that findings are firmly set within a particular institutional context - the UK airport sector - in a post-privatisation era and

specifically at a time when successive governments have struggled to fix a national framework for the UK's airport infrastructure.

1.5 Thesis structure

Following this introductory chapter, the second chapter investigates the potential to accommodate the stakeholder literature, on the agency side of the agency-structure debate, within institutional theory, which explains how social structures shape actors' actions. This chapter interrogates the literature to provide a theoretical framework for the empirical research. The third chapter presents an empirical context for the research and defines the importance of the research question, "How do airport managers incorporate stakeholder contribution in their final master plans?" The fourth chapter describes the importance of the research question and presents a number of theoretical possibilities in response to it. Following the theoretical phase of the dissertation, Chapter 5 describes the empirical research philosophy and methodology. Next, the research findings are presented in Chapter 6 before finalising the thesis with a discussion and conclusion in Chapters 7 and 8. The outline of this thesis is shown in Figure 2.

Figure 2 Thesis structure



2 TENSIONS AND OVERLAPS BETWEEN THE STAKEHOLDER FRAMEWORK AND INSTITUTIONAL THEORY

2.1 Introduction

A great deal of academic argument in the social sciences has focused on the agency-structure debate (c.f. Pierre Bourdieu, Anthony Giddens, Tony Lawson, and Margaret Archer). At its most fundamental, and as Lawrence *et al* explain (2009, p. 12), there are two contradictory views: Does conscious intentionality exist or not? On the agency side of the debate, 'agents' or senior executives are said to act independently and with free will to make decisions. This voluntarist view considers actors to be creative, pro-active, autonomous, reflective, and not completely constrained by the structural properties of the context in which the actor operates (Battilana and D'Aunno, 2009). On the structure side, institutional theorists argue that decision-making, rife with ambiguity and complexity, tests the cognitively limited ability of individuals (March and Olsen, 1976, 1989). Those with this determinist view consider that actors have little choice in the decisions they make as their environment determines responses. To overcome this limitation, individuals are guided by the cultural beliefs and rules - the institutional logics (Friedland and Alford, 1991) - that prevail within a field and by the behaviour of other organisations.

As Lawrence and his colleagues point out, the institutional approach has suffered criticism for the way it has handled agency, particularly for ignoring the influence of power (Lawrence *et al*, 2009). A vital proposition for the institutional perspective is to determine whether something social can be causally effective without being merely a side effect of the agency of individuals (Elder-Vass, 2010). This study endeavours to find a position between actors' creativity and freedom to think independently and the constraints of their institutional context. Indeed, as Elder-Vass describes, considering both agency and structure

together allows the causal power of the 'whole', which includes the influence of both an individual's agency and of the social structure in which they operate, to be defined.

Theories on each side of the agency-structure debate have a contribution to make towards addressing the current lack of academic knowledge on stakeholder decision-making. This study considers specifically institutional and stakeholder theories. These two theories have overlaps: Both consider external pressures from various and varying sources with different intensities, viewed from within organisations (Booth *et al*, 2008). Both recognise that having multiple stakeholders creates conflict for organisations. However, as Parmar and his colleagues including Professor Freeman point out, institutional theorists have largely ignored stakeholder theory in the development of the field (Parmar *et al*, 2010). Correcting this omission may help practitioners reduce failure in strategic decision-making that has resulted in sub-optimal or even undesirable outcomes (Deelstra *et al*, 2003).

Deelstra and colleagues suggest that connecting knowledge and academic research to decision-making processes would help avoid these problems and in particular assist managers who now bear responsibility for understanding and dealing with complex problems associated with value choices. Indeed, employing a practical perspective may be key to achieving a balance between the dichotomous agency-structure positions. Proposed by authors such as Lawrence *et al* (2009), who draw on the work of academics such as Bourdieu and Giddens, the practical approach considers a time line that includes the past, present, and future. The importance of time is also noted in investigations of the emergence of social phenomena (Mutch *et al*, 2006). To this end, theory from the planning literature (see Chapter 3) is also incorporated to supplement and support the stakeholder framework and to provide a link between theory and practice, particularly in an airport context. The bodies of literature interrogated for this study have been selected to find a link between agency

theories of actors' creativity and freedom to think 'outside the box', and institutional theory's constraints of context on actors.

This chapter is structured so that firstly the methodology used to undertake the review of the literature is outlined (a full description is included in Appendix 2). The chapter then presents the findings from the review of the literature that pertain to the overlaps and tensions between stakeholder and institutional theories and their different perspectives on stakeholder consultation and subsequent managerial decision-making. The construct of institutional logics, the basis of opinion, is introduced and described in situations such as airport stakeholder consultations, where multiple logics exist.

2.2 Literature review methodology

For some while, systematic reviews have been considered the ‘gold standard’, particularly in fields such as health but also more recently in management. However, critical realists question their validity, raising concerns over the lack of an adequate concept of scientificity (Clegg, 2005). This is because, as Clegg says, that whilst the systematic review process is rigorous, it precludes the meta-reflective search for underlying structures, power, and generative mechanisms so vital to the critical realist approach. The review of the literature for this study therefore followed a comprehensive system since this allows the researcher the flexibility to interrogate the literature in response to their reflections throughout the study.

Whilst the literature was reviewed continually throughout the study, the initial review was undertaken in three stages, full details of which are attached in Appendix 2. First, a preliminary literature review established the scope of the field by providing outline answers to the following three questions:

1. Who are an airport’s stakeholders and which of them most influence managers’ decisions?
2. How do these stakeholders form their opinions?
3. What does the literature say about how managers address conflicting stakeholder opinions?

The second stage centred on the identification of an opportunity to integrate stakeholder theory with institutional theory, highlighted by Edward Freeman and his colleagues at the Darden School of Business Administration, University of Virginia. The current and historical agency-structure debate in the social sciences was reviewed, and the stakeholder and institutional literatures closely examined in the context of both the theoretical and empirical focus of this study. The third stage, a comprehensive review, ensured all relevant texts were

included that 1) covered the initial questions to the literature, 2) elucidated the findings from the first review, particularly in describing the conclusions from question 3 (detailed above), and 3) responded to the researcher's reflexivity throughout the study. As such, the main bodies of literature identified in the scoping study as stakeholder and institutional theory were supplemented by the planning literature, particularly for major infrastructure development, the literature on organisational decision-making, and by other critical realist studies. The literature identified was then refined by its relevance to the research question and to articles' synergy with the original bodies of literature.

2.3 Stakeholder theory

Since its inception in 1984, stakeholder theory has developed in three main directions (Agle *et al*, 2008): 1) the fundamental debate on stakeholder versus stockholder issues, 2) the identification and categorisation of stakeholders, and 3) “new” enquiries in the field of stakeholder theory such as value creation and trade (VC&T), where addressing stakeholder concerns is said to provide creative opportunities for organisations (Parmar *et al*, 2010). The stakeholder literature views organisations as a collection of internal and external groups who have a stake in the organisation, determined by whether they are affected by and/or can affect its success (Freeman, 1994). A key theme of stakeholder theory is its explanation of the relationship between the managers of an organisation and their various stakeholders and on how this affects managerial decision-making (Donaldson and Preston, 1995; Jones and Wicks, 1999). Stakeholders’ interests frequently diverge considerably from both that of the organisation’s management and from each other (Jones *et al*, 2007). Stakeholder theory’s concern with managing the potential conflict that stems from these divergent interests (Frooman, 1999) provides the reason for its emphasis in this study.

Stakeholder theory is not without its detractors, most notably Professor Milton Friedman with his property rights argument and Elaine Sternberg (1997), whose objection is to managers being distracted from the primary objective of the generation of wealth for shareholders. Vinten floats an extreme view where he describes stakeholding as:

“part of a Marxist revolution whereby private ownership is replaced by mass public ownership whereby the population as a whole is empowered” (Vinten, 2001, p. 36).

Certainly managerial involvement in social issues appears to these authors to be, *“a fundamentally subversive doctrine”* (Friedman, 1962, p. 133) and stakeholder theory is parasitic and to be resisted as it undermines private property rights and privileges (Sternberg, 1997). Vinten summarises Sternberg’s

objections to stakeholder theory as being incompatible with business, incompatible with corporate governance, unjustified for its accountability, and being contrary to private property rights, agency and wealth. However, Freeman and McVea contest that these objections are the result of the 'stakeholder versus shareholder' trap. This "*false dichotomy*" causes stakeholder theory to be "*mischaracterized as anti-capitalist, anti-profit and anti-business efficiency*" (Freeman and McVea, 2001, p. 22).

2.3.1 Stakeholder typology

The stakeholder literature has focused on developing and testing theory that describes which stakeholders are most able to influence managers' decisions. As such, managers have been shown to be most attentive to their salient stakeholder (Mitchell *et al*, 1997; Vilanova, 2007), who is perceived by managers (Agle *et al*, 1999) to have a combination of three critical attributes - power, legitimacy and urgency - earning them the title of 'definitive' or 'salient' stakeholder (Mitchell *et al*, 1997). It is this stakeholder or group of stakeholders whose views managers tend to take account of in their decision-making. Figure 3 shows the stakeholder typology for the overlapping attributes of power, legitimacy and urgency.

In this context, power is defined as:

"the ability of the stakeholder group to bring about outcomes that it desires, despite resistance" (Jones *et al*, 2007, p. 150).

Legitimacy as:

"the extent to which the stakeholder group's relationship with the firm is socially accepted and expected" (*ibid*, p.150).

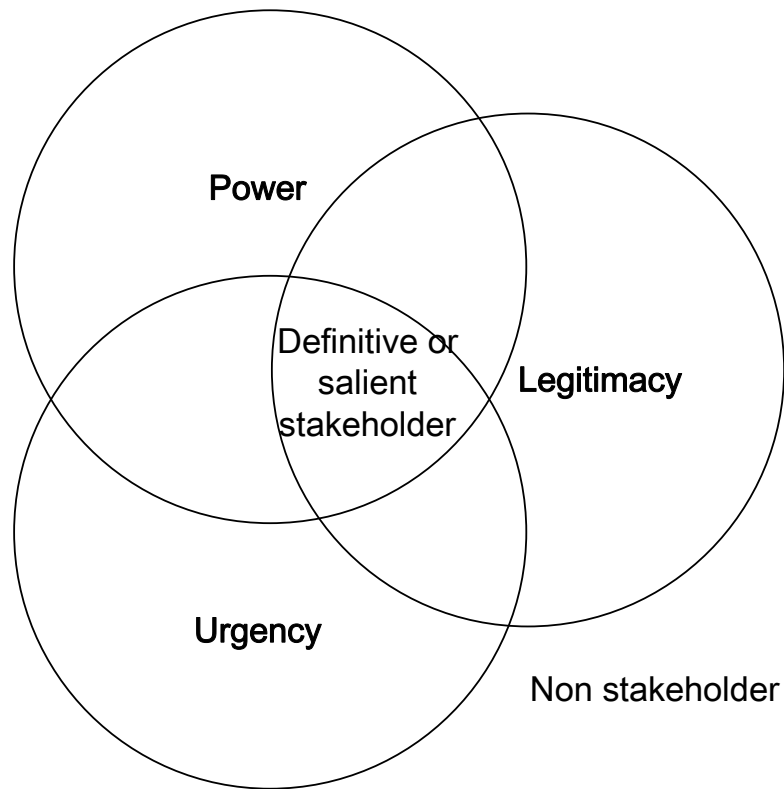
And urgency as:

"the degree to which the stakeholder group's claim is time sensitive and of critical importance to the group" (*ibid*, p.150).

It should be noted that the most commonly referred to stakeholder attribute is power, whilst urgency has largely been ignored in the stakeholder literature and

legitimacy and its importance to stakeholder saliency has attracted some controversy (Frooman, 1999).

Figure 3 Stakeholder typology



Source: Mitchell, Agle and Wood, 1997, p. 874

The attributes of the various latent stakeholders (i.e. those holding only one attribute) can be defined as shown in Table 2.1.

Table 2.1 Describing the attributes of stakeholders

Attribute	Source	Description
Power – managers’ perception of stakeholders’ ability to impact decisions	Coercive	Stakeholder can use a ‘loaded gun’, block or sabotage
	Utilitarian	Stakeholder with substantial buying power
	Symbolic	Stakeholder can command media attention such as environmental pressure groups (see example 1 below)
Legitimacy – demands of stakeholders deemed justifiable by managers	Moral/ ethical	Stakeholder is often the recipient of corporate philanthropy
	Legal	Stakeholder has recourse to, for example, contracts, regulation, planning processes
	Property rights	Any ‘legitimate’ ownership such as shareholders (see example 2 below)
Urgency – managers’ perception of time span for conflict resolution	Financial	Stakeholders with high financial aspirations may tend to command the immediate attentions of managers
	Emotional	May be linked to CSR (Corporate Social Responsibility/Responsiveness) e.g. issues such as mercy flights organised by charities such as Oxfam
	Reputational	Stakeholder who could potentially (usually given attainment of a further attribute) damage managers’ or organisation’s reputation (see example 3 below)

Source: Derived from Agle, Mitchell and Sonnenfeld, 1999 and Mitchell, Agle and Wood, 1997, designed and adapted by the author

The following are examples from an airport context of one of each of the power, legitimacy, and urgency fields as described above: -

Example 1 Symbolic power: In an airport context, an instance of stakeholders who could be deemed in this example to have symbolic power – the ability to command media attention – without either legitimacy or urgency may be the Greenpeace coalition, including a number of celebrities, who have acquired a small piece of land within the boundary of the area earmarked for the development of Heathrow's third runway. The purchase attracted a great deal of media attention but lacks urgency (development is not expected to commence for a number of years) and, whilst title to the land is held by protestors, its legitimacy could potentially be overturned by government compulsory purchase including the recent Planning Act 2008 legislation.

Example 2 Property rights legitimacy: An illustration of stakeholders with legitimacy, as perceived by airport managers, although without power or urgency, could be individual shareholders who hold a small number of shares in an airport company. This group of investors has legal property rights through their share ownership but lacks the power of major shareholders such as financial institutions, pension funds, etc.

Example 3 Reputational urgency: In an airport context, an example of stakeholders with urgency but potentially without power or legitimacy in the perception of airport management could include the travelling public who pass through airports with heightened security following an increased threat of terrorism. Passengers suffered an increase in delays caused by bottlenecks for screening procedures and complaints from this group of stakeholders increased. It seems that in 2006, BAA, as an example, had no contingency plan in place to deal with a raised level of security without disrupting passenger flow

through an airport¹. The multi-layered approach to security using advanced technologies to filter out high-risk individuals advocated by security experts and which would improve the seamless transit of passengers through airports has yet to be implemented, indicating that passengers, whilst they may have urgent claims on managers' time, lack either power or legitimacy in the perceptions of these managers.

The stakeholder literature is clear that firms are governed in the interests of the definitive or salient stakeholder (Vilanova, 2007), that is the individual, group, organisation or institution who, at a particular time, command the attention of management through their possession of power, legitimacy and urgency (Mitchell *et al*, 1997). This view is supported in the institutional logics literature, where power relations and advantaged positions of some actors mean the status quo is frequently maintained (DiMaggio and Powell, 1991; Thornton and Ocasio, 1999). The airport master plan process puts managers at the centre of attention and communication with stakeholders and fully in control of the process in what Roloff (2008) describes as an organisation-focused approach to stakeholder management.

Whilst this central role concerns Sternberg, who believes “*stakeholder theory gives full rein to arrogant and unresponsive managements*” (Sternberg, 1997, p. 5), it can also be seen as a pragmatic action (Freeman, 1999), as managers' main concern is for the organisation's effectiveness in the short-term and the impact of the most powerful and vocal participants (Bryson, 2004; Roloff, 2008). They therefore do not meaningfully include fringe (Hart and Sharma, 2004), marginal (Savage *et al*, 1991), secondary (King, 2008), nominally powerless (Bryson, 2004), estranged due to their assumed adversarial relationship (Freeman and McVea, 2001), or non- stakeholders (Mitchell *et al*, 1997) in the process. If this were the case with airport managers, we might expect a public

¹ <http://www.caa.co.uk/docs/5/ergdocs/sqsuspension/virgin.pdf>

relations approach to the demands from salient stakeholders rather than communication with individuals (Roloff, 2008). However, as Roloff points out, there is no standard approach and:

“surprisingly little information is available on stakeholder management activities. How do companies translate stakeholder management into business activities?” (Roloff, 2008, p. 233)

2.4 Institutional theory

Major transport infrastructure projects impact not only on the transport system but have substantial consequences for the economy, society, and the environment. However:

“the close link between the institutional context and the transport system is often underestimated or just ignored” (Musso *et al*, 2007, p. 95).

Defined as “Social structures that have gained a high degree of resilience” (Scott, 2001, p.48), institutions are the:

“Supraorganizational patterns of human activity by which individuals and organizations produce and reproduce their material subsistence and organize time and space” (Friedland and Alford, 1991, p.243).

The major institutions of society - the market, the state, the corporation, the professions, religion, and the family – provide distinct and often conflicting but sometimes complementary, logics (Thornton *et al*, 2012; Thornton, 2002; Thornton and Ocasio, 1999).

Institutional theory, which seeks to understand how the institutional context affects the way in which organisations react to societal expectations (Chung and Luo, 2008; Martinez and Dacin, 1999; Singh *et al*, 1991), challenges the neoclassical ‘agency’ paradigm derived from economics, which assumes that individuals make choices by balancing costs against benefits. More specifically, neoclassical economics holds that individuals weigh opportunity costs against willingness-to-pay without the involvement of social institutions (De Brucker and Verbeke, 2007) or at least that institutions are, “*tacit or given static constraints which ultimately define various equilibrium positions*” (Boland, 1992, p. 113). The economic perspective imparts, “*an undersocialized view of organizational and market activity*” (Martinez and Dacin, 1999, p. 76).

In contrast to the neoclassical paradigm, institutional theory describes how it is the socially created, widely held beliefs and cognitions, reinforced by the actions

of actors, that affect organisations (Singh *et al*, 1991). Both formal and informal institutional contexts constrain or enable the behaviour of firms (Campbell, 2004), influencing decision-making, which in turn impacts competitiveness (Barley and Tolbert, 1997). According to Musso *et al*, Institutional Economics differs from the neoclassical perspective in that the concept of the allocation efficiency of the market dominates the neoclassical whilst institutional theory holds that resource allocation is determined by the institutional context (Martinez and Dacin, 1999; Musso *et al*, 2007). As such, the institutional theory approach has three key perspectives (De Brucker and Verbeke, 2007):

- The behavioural view, where “*institutions are patterns of behaviour, shared and accepted by the members of a group or society*” (*ibid*, pp. 55 - 56)
- The conventions view, where institutions are society’s rules of the game
- The decision/rules/procedure view, where institutions provide procedures or sets of rules, “*that enable a group or society to transform individual preferences into collective preferences*” (*ibid*, p. 56)

From all three perspectives, this theory highlights the institutional effects on organisations in a society-wide context. For airports, the formal institutions that regulate them are relatively few, given the global nature of aviation, and seek to standardise the operation and safety of the sector throughout the world. Indeed, without this normalisation, international aviation would be virtually impossible. Institutional theory suggests that, over time, organisations come to resemble one another, to take on the same form, to become institutionally isomorphic (DiMaggio and Powell, 1991). Given the ubiquity of the institutions that govern them, it is possible that airports may have been subject to this isomorphic pressure. This is particularly pertinent in countries such as the UK, where the state controlled all major airports until the 1986 Airports Act and the structure of airports and the design of the institutions that govern them were created by government organisations. Stakeholder consultation and its diffusion and institutionalisation throughout the airport sector would seem to provide evidence to support this view.

2.4.1 *Institutional logics*

Airport managers, government officials, and indeed the general public are generally well aware of the different opinions of the many stakeholders involved in the operation of an airport. However, stakeholder opinions often seem incommensurable as they are based on very different viewpoints, derived from a number of basic aspirations and assumptions. Assumptions, the 'facts', ideas or beliefs that are taken-for-granted in the presentation of an explanation are generally not explained or stated explicitly but underpin the argument (Jepperson, 1991) and without them the same conclusion would not be possible (Cottrell, 2005).

For managers to attempt to reconcile conflicting stakeholder opinions, an understanding of the underpinning assumptions upon which government policy, organisational strategy and public opinion are built and of airport managers' responses to them, would shed light on some of the important influences on airport development in a post-privatisation era. The review of the literature in this section focuses therefore not on the identity of individual stakeholders but on the foundation of their argument, making a theoretical link between stakeholder theory and institutional theory. The institutional logics of stakeholders' arguments (Mattingly and Hall, 2008), also referred to by Margaret Archer (1996) as cultural logics, make this link and allow stakeholders to be grouped by the nature of their perspective and the perceived importance of their competing rationales.

Friedland and Alford (1991) describe institutional logics as the organising principles of an organisational field, guiding the behaviour of field-level actors by providing the taken-for-granted rules and practices for action in the field (Scott, 2001). This research focuses on these logics, the arguments they create, and on how managers attempt to deal with the resultant conflict. Logics are an important theoretical construct (Reay and Hinings, 2009) as they help to explain how belief systems and the 'best practice' they engender become taken-for-granted within a field such as the airport sector. Indeed, the link between logics

and organisational practices is well established (Delbridge and Edwards, 2013; Greenwood *et al*, 2010; Lounsbury, 2007; Thornton, 2002; Thornton *et al*, 2012). Coupled with theoretical constructs from stakeholder theory, they also help our understanding of how one or more logic becomes dominant within a field and how organisational change may be brought about over time.

The roots of the various arguments put forward by stakeholders and the assumptions upon which they are based differ fundamentally and stem from the institutions that are most significant in the contemporary capitalist West. These are the, “*capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion*” (Friedland and Alford, 1991, p. 232) and each have their central logic or, “*set of material practices and symbolic constructions*” (*ibid*, p. 248). These institutional logics can be described as follows:

Capitalism: “*Accumulation and the commodification of human activity*” (*ibid*, p. 248), such as the need to make a profit for shareholders.

Bureaucratic state: “*Rationalization and the regulation of human activity by legal and bureaucratic hierarchies*” (*ibid*, p. 248). This might include legal, regulatory, and government agenda arguments such as local authorities seeking to derive economic growth from the development of an airport.

Democracy: “*Participation and the extensions of popular control over human activity*” (*ibid*, p. 248) or citizen-based polity, the ‘not in my back yard’ type argument, including concerns over surface traffic congestion or the argument to reduce carbon emissions and pollution released in the atmosphere by aircraft.

- Family: *“Community and the motivation of human activity by unconditional loyalty to its members and their reproductive needs.” (ibid, p. 248)*
- Religion/Science: *“Truth, mundane or transcendental, and the symbolic construction of reality within which all human activity takes place.” (ibid, p. 248)*

To illustrate the application of institutional logics, Table 2.2 takes ARIC, The Centre for Aviation Transport and the Environment at Manchester Metropolitan University’s stakeholder identification as a base and includes a column showing an estimation of the institutional logic behind the stakeholder interest. It should be noted that whilst five logics have been identified from the literature, for the purposes of this research and following Alford and Friedland (1985), the focus is on the first three logics; capitalism, bureaucracy and democracy.

Table 2.2 Stakeholder groups, main interests and institutional logics

Stakeholder group	Interests	Logics
National/regional government including RDAs	Policy formation, regional development	Bureaucracy Democracy
Airport regulators	Safety and economic regulation	Bureaucracy
Airport company	Growth and development	Capitalism
Airport employees	Stable employment and opportunity	Democracy Capitalism
Airport service partners	Commercial development	Capitalism
Local government	Social and economic development, environmental protection	Bureaucracy Democracy
Airport users	Airport services/route development	All
Communities affected by airport operations	Noise nuisance and other local impacts, employment and access to aviation	Bureaucracy Democracy
NGOs e.g. environmental pressure groups	Global and local environmental impacts	Bureaucracy Democracy
Business, commerce, tourism, arts, sports and education organisations	Route development/ passenger growth, trade and inward investment	Bureaucracy Capitalism
Airport suppliers	Growth of market	Capitalism
Providers of other local transport services	Growth and integration of services	Bureaucracy Capitalism

Source: Based on ARIC (2003, p. 34), adapted by the author

2.4.2 Multiple logics and institutional complexity

Institutional logics mediate between society and organisations, providing supra-organisational norms (Townley, 1997) that theoretically change the social relationships, interactions, and practices that constitute an institutional field (Green *et al*, 2008). Institutional logics:

“define the ends and shape the means by which interests are determined and pursued, instilling value, and giving intrinsic worth”

(Townley, 1997, p. 263)

and guide decision-making in a particular field (Lounsbury, 2007). They compete because actions, processes, norms, and structures, when viewed from one perspective may seem legitimate but less so or even illegitimate when viewed from another (Bryson *et al*, 2006).

Most fields contain multiple logics that may be in conflict, each seeking to regulate societal, organisational and individual activities, although the dominant current institutional logic:

“is often implicit or taken for granted and is thus unavailable for conscious manipulation and choice” (Green *et al*, 2008, p. 42).

As such, many organisations find themselves operating in situations with institutional pluralism (Kraatz and Block, 2008), where multiple institutional realms must co-exist (Jarzabkowski *et al*, 2009). This institutional complexity:

“is understood as a feature of the relationship between logics, actor positions within projects and the agency of the actors reflexively engaging in such activities” (Delbridge and Edwards, 2013, p. 6).

Indeed, whilst institutional logics provide the rules of the game (DiMaggio and Powel, 1991; Lecca and Naccache, 2006), actors play out the game, exerting their own agency, impeded or facilitated by the prevailing logics (Archer, 2003; Delbridge and Edwards, 2013). Understanding the relationship between the agency of actors and the societal structure that constrains or enables them - the paradox of embedded agency - has benefited from the application of the institutional logics perspective (Delbridge and Edwards, 2013; Goodrick and

Reay, 2011; Mutch *et al*, 2006). For example, stakeholder theory focuses on analysis of relationships between organisations rather than considering the consistency of institutions within the organisation. The institutional logics perspective reflects the conflict and tension embedded in societies with institutional complexity, providing a link between the stakeholder and institutional perspectives. In theory, integrating the institutional logics perspective within stakeholder theory overcomes the problem of embedded agency, keeping agency separate from social structure, by allowing a description of the “*dynamic interplay*” (Emirbayer and Mische, 1998, p. 963) between agency and structure.

The empirical challenge is therefore to understand how actors deal with inconsistencies between institutions enabling and/or constraining their organisations without downgrading the agency of actors to merely a manifestation of their institutional context (Delbridge and Edwards, 2013). In situations where multiple logics exist within an organisational field, managers may have to cope with competing alternative interdependencies and strategies rather than more usual principles of consensus, and focus on a single strategy (Jarzabkowski *et al*, 2009). A nested view of institutions, in line with Friedland and Alford’s three levels of analysis (Friedland and Alford, 1991, 242), defines the layers of empirical investigation as the societal or institutional level, the organisational level, and the individual level (Friedland and Alford, 1991; Thornton and Ocasio, 2008; Thornton *et al*, 2008).

Relatively few studies have examined situations where competing logics rather than a dominant logic typify an organisational field (Delbridge and Edwards, 2013; Goodrick and Reay, 2011; Greenwood *et al*, 2010) and only limited attention has been paid, “*to the impact of competing logics on actors within the field*” (Reay and Hinings, 2009, p. 631). The privatisation of the UK airport sector provides an example of a situation where there has been considerable change, moving the institutional context from an historical focus on the airport’s role in supporting economic development and regional wealth to a requirement

to return a profit to shareholders. This, coupled with the need for airport managers to consult stakeholders, provides an interesting setting for empirical investigation. Using Friedland and Alford's nested view coupled with the logics perspective focuses empirical attention on logics, organisations, and the reflexivity of actors as they engage with logics. This approach allows for agency and structure to be considered without conflating one into the other.

The stakeholder consultation process and the subsequent changes to airport draft master plans serve to illustrate the paradoxes between competing logics and the organisational complexity in the field. For example, it may be seen as inconsistent that the role of private sector managers may need to change from being purely the agents of shareholders, responsible for returning a profit (Friedman, 1962), to include accountability for public-sector preoccupations such as economic development issues (for example increasing capacity at London's airports in order to protect the capital's status on the global economic stage) and public service provision (such as continuing to operate non profit-making airports because they provide vital transport links for the public). Or, vice versa, that previously public sector airport managers with an historical responsibility for providing the airport capacity necessary to meet the needs of the regional economy may find a profit-making-only focus problematic.

Since the reflexivity of agents is a key element of this approach, empirical studies can usefully focus on managers' roles in perpetuating the dominance of a particular logic or, indeed, how they may affect organisational change by promoting a new logic. A further consideration is how multiple logics enable or constrain decision-making and how agents manage the internal consistency of these institutions. For the airport sector, if government want managers to behave as pseudo-public agents and indeed intend to insist upon this role, the question of identity, and particularly conflicting identities, both managerial and organisational, is raised (Glynn, 2000): Do airport managers feel like economic development officers or is their identity (and core capabilities) constructed around generating profit for airport investors?

Identity is an important issue and one that is useful in illuminating how actors deal with conflicting logics (see Creed *et al*, 2010; Creed *et al*, 2002; Pratt *et al*, 2006). Whilst stakeholder theory focuses on the identity of salient stakeholders, the identity of the managers who decided just who is salient and who is not, is a key feature of how institutional complexity and internal contradiction is resolved. The history of actors, their past experience and institutional biography:

'the exploration of specific individuals in relation to the institutions that structured their lives and that they worked to create, maintain, or disrupt'
(Lawrence *et al*, 2011, p. 55)

has been shown to be a useful approach to the study of institutions and forms a part of the empirical phase of this work. Agency is informed by the past but orientated towards the future (Emirbayer and Mische, 1998), the historical development of fields. Therefore the past battles (Delbridge and Edwards, 2013) of managers, in particular their experience of jurisdictional battles (see Abbott, 1988) and the outcome of legal challenges are also a determinant in how actors resolve the issues of organisational complexity.

Also linked to issues of identity is the concept of reflexivity and the internal conversation (Archer, 2003). Archer identifies four modes of reflexivity: communicative (based on consensus and maintaining the status quo), autonomous (a means-ends thought process), meta-reflexive (where actors examine the thinking process itself), and fractured (where actors lack an adequate decision-making process). Internal conversations provide a link between society and individuals, and therefore between structure and agency. The actions of actors can only be understood when consideration is given to historically shifting causal powers acting relatively and situationally on actors with differing responses to them. From an empirical point-of-view, what is interesting is that agents do not experience these causal powers uniformly and therefore consideration can be given to a range of factors. Taking this empirical stance allows for investigation of the opportunities and limitations for agency within the socio-historic context in which actors operate.

2.5 Chapter summary

This chapter outlines the debate between agency and structure theorists, focusing on the challenge to reconcile the stakeholder framework within institutional theory (Parmar *et al*, 2010). It would seem that much of the opposition to stakeholder theory is due to the institutionalised view of property rights (Friedman, 1962; Sternberg, 1997; Vinten, 2001), which may be particularly pertinent in the UK. This is a fundamental tension between the two theories; essentially stakeholder theory is untenable without the incorporation of institutional theory. The aim of amalgamating the two theories is to support strategic decision-making and improve record of failure in this field (Deelstra *et al*, 2003).

This chapter also describes the stakeholder framework and institutional theory, highlighting the overlaps and tensions between them and describing their different stances on decision-making. The chapter introduces the concept of institutional logics, the organising principles of a field (Friedland and Alford, 1991) and explains how they underpin arguments (Jepperson, 1991). In situations such as airport development, competing logics rather than one dominant logic typifies the field, and is a situation that is relatively under-investigated (Reay and Hinings, 2009).

Responding to this challenge, the study employs a practical approach (Lawrence *et al*, 2009) where academic research is connected to decision-making processes (Deelstra *et al*, 2003). To this end, the following chapter, Chapter 3, continues the review of the literature by focusing on how managers might take account of the intelligence gathered through a consultation process. It is the examination of the contradictions involved in incorporating stakeholder opinions into master plans that provides the means to integrate the stakeholder framework within institutional theory in this study.

3 STAKEHOLDER CONSULTATION AND AIRPORT MASTER PLANS

3.1 Introduction

This thesis concerns more than solely the theoretical: It involves an empirical issue of concern to a wide range of practitioners including airport managers, government officers, airline operators, business leaders, and the general public. Indeed, the research title, “Managing the Master Planning Process: How do airport managers incorporate stakeholder contribution in their final master plans?” reflects the emphasis on a topical, practical, and under-researched area. The purpose of this chapter is therefore to outline the context for the study. The chapter provides an overview of the UK airport sector, the role of the master plan and the place of stakeholder consultation in the airport master plan. As such, the objectives for this chapter are to:

- Provide a description of the historically situated institutional context of the airport sector in the UK from its commencement in the 1920s to the present day. The chapter commences with a review of the airport sector as a context for study. The section is supplemented by a history of the aviation sector shown in Appendix 3.
- Outline the key features of an airport stakeholder consultation, commencing with a definition of ‘stakeholder’ and then describing its historical roots. The section also considers the identity of airport stakeholders and their main issues before describing some of the alternatives to consultation.
- Define the airport consultation process and the government guidance available.
- Describe the empirical research problem.

3.2 The UK airport sector

The choice of the airport sector as an area for empirical investigation has been based upon a number of its unique qualities. Firstly, much of the sector was privatised following the 1986 Airports Act and now displays a variety of patterns of ownership. This diversity provides the opportunity to examine how the institutional context of individual airports has changed since de-nationalisation and the impact any variance has had on decision-making.

Secondly, the airport sector was one of the earliest industries outside the public sector to be obliged to consult with their stakeholders. Consultation has become a key part of societal involvement in planning and infrastructure development. However, little is known about the decision-making process following consultation and indeed there is evidence that civic participation does not make a significant impact on decision-making (Albert and Passmore, 2008). In particular, the review of the literature on civic participation conducted by Albert and Passmore for the Scottish Government found considerable confusion on “*whether to and how to “weight” the relative inputs from different public participation sectors*” (Albert and Passmore, 2008, section 10.1.4) and a growing need for guidance on this issue. The airport sector, with its previously standardised government-driven institutional context and current diversity of ownership pressures, provides a unique opportunity to examine the various types of decision-making processes displayed by a range of case examples.

Thirdly and following from the first two qualities, studies of decision-making generally come up against three key limitations (Langley *et al*, 1995), which a study in the airport sector may be able to overcome. The problems with the extant literature are:

- Reification: That ‘decision’ exists and there is a “*moment of choice*”, a construct that leads researchers to view organisations as mechanistic and bureaucratic;

- Isolation: That decisions can be examined as separate from others within an organisation; and
- Dehumanisation: That decisions are devoid of a-rational human emotion and imagination, merely unfolding in a series of sequential stages.

Taking these three limitations in turn, firstly, the airport consultation and master plan process does seem to supply what may well be a rare opportunity to study a 'moment of choice'. Unlike many decisions referred to by Langley and colleagues as having no clear commencement, the short period between publishing draft master plans and making changes to create a final master plan provides a bounded period of decision-making with a distinct beginning and end. Secondly, the decision to include or exclude stakeholder opinion gathered through the consultation process is largely isolated from other operational decisions.

The third limitation, that of dehumanisation refers to the lack of research considering the central role of the decision-maker as:

“creator, actor, and carrier, and that organizational decision processes are often driven by the forces of affect, insight, and inspiration” (Langley et al, 1995, p. 264).

It is this third limitation on which this study focuses. Rather than relying on 'dehumanising' theories to study decision-making, this research takes a more human-focused approach, investigating the root drivers – institutionalised beliefs, rules, and in particular institutional logics - behind managerial action.

As Greenwood and Meyer point out:

“organizations are not quasi-rational actors choosing how to function in an optimal manner but rather feel urged to follow rational myths impressed on them by their institutional setting because not to do so would undermine their social legitimacy and risk the loss of important resources and support” (Greenwood and Meyer, 2008, p. 261).

3.2.1 *A brief history of UK airports*

In 1903, the Wright brothers achieved the first sustained controlled powered flight in a heavier-than-air machine at Kitty Hawk in the US. In the UK, the first British airfield was established at Leysdown on the Isle of Sheppey in February 1909². This was also the site of the world's first aircraft manufacturer, when the Wright brothers gave the Short brothers from the Medway towns the rights to build their aircraft. Scheduled commercial flight commenced only a few years after, with the inaugural international service from London to Paris in August 1919. At this time, between the world wars, aerodromes in the UK were either in private or municipal ownership. According to the Airfields of Britain Conservation Trust³, "*Since 1909, the airfields of Britain have proved to be the greatest assets this country has ever seen.*" The UK Government, witnessing the power of aviation during WW2 and its importance to the economy, decided in the 1940s to nationalise many of the UK's key airports.

However, the normative welfare economics approach of the 1940s to 1950s gave way to a positive property rights approach in the 1970s and 80s. Whilst ownership had remained largely in the public sector during this period, the 1986 Airports Act and the Conservative Government under Margaret Thatcher allowed for the transfer of ownership to the private sector. Before the 1980s, few public organisations had been transferred to the private sector and those that had been were generally in markets where private sector firms prevailed and therefore lack of competition was not an issue (Kay and Thompson, 1986). This situation changed during the 1980s when a number of monopoly enterprises were privatised, including British Telecom, British Airways, British Airports Authority (BAA), British Gas, and the regional water authorities. The reasons for privatisation as a government policy (either articulated or implied by the institutional context at the time) were to: 1) improve efficiency, 2) reduce the burden on the government of day-to-day management of these enterprises, 3)

² It is noted that Farnborough in Essex also makes a claim to be the first airfield in the UK although proof has not been established.

³ <http://www.abct.org.uk/what-we-do>

bring in funds to the treasury, 4) reduce the power of trade unions, and 5) promote capitalism through wider share ownership (Kay and Thompson, 1986).

The policy for the privatisation or denationalisation of previously publically owned assets brings with it a paradox described by Kay and Thompson (1986) as follows: On the one hand it is widely purported that privatisation contributes to economic efficiency by providing managers with incentives and disciplines greater than those that apply in their public sector counterpart. However, on the other hand:

“If this were so, then it would be expected that the prospect of privatisation would be distinctly unwelcome to the management concerned” (Kay and Thompson, 1986, p. 18),

rendering the operation of any privatised business difficult and protracted. These authors point out that BAA at that time, was not a commercial organisation in any usual sense. BAA argued for the continuation of their existing structure, with its control of all the main London airports, since this was in the public interest. However, these arguments *“are those of a regulatory authority.”* (Kay and Thompson, 1986, p. 30) Indeed, in the history of UK airport development including the denationalisation of the BAA indicates the continuing, *“evolution of an industry dogged by policy changes”* (Caruana and Simmons, 2001, p. 279).

The 1990s and 2000s saw an increased focus on the Country's competitiveness, with the Labour Government encouraging the private sector to develop and expand their airports. In essence, the argument for airport development has always been the concern for the UK's economic competitiveness, wealth, and job creation. The arguments against development were initially about noise but eventually included all other environmental impacts. Mounting pressure from NGOs and particularly environmental groups, ensured governments have procrastinated about the future of air transport in the UK. Graham Eyre QC summed up the frustration of this situation in his recommendation for development at Stansted Airport:

"The history and development of airports policy on the part of administration after administration of whatever political colour has been characterised by ad hoc expediency, unacceptable and ill-judged procedures, ineptness, vacillation, uncertainty and ill-advised and precipitate judgements" (Eyre, 1984, p.9).

A more detailed history of the UK airport sector that describes the prevailing institutional context at specific periods is attached in Appendix 3. The appendix has been compiled from numerous documents and reports. Whilst a plethora of documents detailing the history of specific airfields are available, it is noticeable that both academic and non-academic literatures have largely ignored the general context and overview of the UK airport sector. Since 1986, the context of each airport differs in that some have been fully privatised and are owned by a variety of shareholding organisations with diverse backgrounds (including investment, transportation, utilities, etc.), some are part privatised and some, like Manchester, remain under the control of the local councils. The process of privatisation began with the 1986 Airports Act.

3.2.2 *The 1986 Airports Act*

The 1986 Airports Act began a process of airport privatisation and commercialisation in the UK, moving responsibility for airport operation from the public sector where it had traditionally been, to the private sector (Graham, 2001; Humphreys, 1999). Aside from issues of allocating limited public sector resources to airport investment, the main argument for privatisation was the belief that market mechanisms would correct the inefficiencies and losses made by state-owned airports (Humphreys, 1999). The privatisation of UK airports meant offering customers on the market what had previously been supplied by the state. Whilst, *"power and politics have never been absent from organizations"* (Mintzberg *et al*, 1998, p. 235), managers of privatised airports now have to account to regulators and other legitimate stakeholders as well as to their shareholders (Freeman *et al*, 2007), marking a change from the previous responsibilities of managers in the private sector.

Indeed, since the 1986 Airports Act, the UK government no longer builds airports or adds runways (Department for Transport, 2003) and:

“can only encourage and incentivize airport operators to invest in new capacity, when it believes capacity would best benefit the national interest” (Humphreys *et al*, 2007, p. 341).

Governments must also make decisions on the balance between regulation and autonomy for the operators of privatised industries so they continue to attract private sector investment and the foreseen efficiency gains this brings:

“without exposing users and other stakeholders to abuses of monopoly power” (Lovink, 1999, p. 371).

In the case of airport development, questions of when the timing is right to add capacity and where this should be, solicit a variety of responses amongst the numerous stakeholders involved in airport development. For example, although airports are widely recognised for their role in economic development, strategic decisions on when and where to invest in infrastructure are the prerogative of airport managers acting on behalf of shareholders. It can be financially more advantageous for airport owners to run their airports at capacity to maximise returns from existing infrastructure rather than by creating capacity through massive investment that pre-empts forecast demand (Humphreys *et al*, 2007).

There are therefore unreconciled issues between private airport owners' financial interests and government's economic and social objectives for the development of major infrastructure at airports (Humphreys *et al*, 2007). The institutional and regulatory setting within an economy can have significant impacts on economic activity (Brueckner and Pels, 2003) and is particularly significant in the aviation sector, although:

“Market instruments and regulations are not always sufficient to balance these conflicting demands” (Amaeshi and Crane, 2006, p. 245).

However, if the bureaucratic desire for airport infrastructure development is to be met, where and when it is needed:

“careful consideration needs to be given as to how the government can best use its regulatory, fiscal and planning levers to encourage the investment it wants.” (Humphreys *et al*, 2007, p. 343)

In this respect, it seems government relies heavily on airports producing fairly standardised master plans that support the framework for airport infrastructure outlined in the 2003 White Paper. An essential part of the master plan process is the consultation element, which provides the opportunity for stakeholders' issues to be resolved. However, government recently put in place legislation to enable them to push through development even in the face of stakeholder opposition. The Planning Act 2008 has been specifically designed to provide a new procedure for major infrastructure development such as a third runway at Heathrow. The controversy surrounding this project from both inside the Cabinet and from the many objectors is expected to severely test the legislation (Edwards and Martin, 2008).

3.2.3 *The current airport infrastructure situation*

Transport is vital to national and regional economic performance (Department for Transport, 2003; Eddington, 2006) and airports in particular are substantial generators of economic activity and bring significant social benefits to the regions they serve (Thomas *et al*, 2003). It is perhaps for these reasons government's policy for airports, *“seems to be to accommodate an increase in demand rather than managing demand”* (Humphreys *et al*, 2007, p. 339), manifested by the current debates on when and where infrastructure, particularly new runway capacity, should be located. Whilst both airport practice and government policy articulate aims to mitigate the negative impacts of air travel, this does not appear to be at the expense of aviation growth (May and Hill, 2006). The 2003 White Paper, *The Future of Air Transport*, made it clear the government at the time believed airport development to be crucial to the expansion of the UK economy and recommended additional runways for Stansted, Heathrow, Birmingham and Edinburgh and possibly at Gatwick (Department for Transport, 2003).

In the case of London Heathrow, the previous Labour Government described the airport as essential to the British economy and the international competitiveness of London, suggesting increasing capacity here would have a greater economic value than at any other UK airport⁴. The decision to build or perhaps more accurately to allow the building of a third runway at Heathrow⁵, split the Cabinet over concerns about whether EU pollution targets will be met⁶. Both the Conservative and Liberal Democrat parties opposed expansion before the election in 2010. In coalition in government, they immediately cancelled building of the third runway at Heathrow and lodged opposition to additional runways at Gatwick and Stansted (Department for Transport, 2011). However, the interim report from the Airports Commission chaired by Sir Howard Davies, who is considering the future of the UK's airport infrastructure, now takes forward the potential for the third runway (Airports Commission, 2013), indicating a change in attitude towards the airport sector. Meanwhile, the London Mayor, Boris Johnson, favours the construction of a brand new offshore airport in the Thames estuary⁷.

The Secretary of State for Transport, Philip Hammond, part of the coalition Government that came to power in 2010, has stated that he wants:

“to move beyond the sterile debate of recent years, where the arguments for and against aviation became increasingly polarised, towards a broader consensus which honestly recognises both the value of air transport and its negative impacts and is prepared to agree the framework within which aviation can develop.” (Department for Transport, 2011, p. 5)

⁴ O'Grady, S., Economics Editor, The Independent, "The big question" 15 August 2008

⁵ Prince, R., Political Correspondent, Telegraph.co.uk, "Heathrow third runway vote passed" 29 January 2009 [<http://www.telegraph.co.uk/finance/newsbysector/transport/4376305/Heathrow-third-runway-vote-passed.html>]

⁶ Oliver, J. and Ungood-Thomas, J., The Times Online, 14 December 2008 [<http://www.timesonline.co.uk/tol/news/politics/article5338148.ece>]

⁷ Swinford, S. and Gourlay, C., The Sunday Times, "Heathrow-on-Sea set for takeoff", 12 July 2009.

The 2011 Scoping Paper produced before the Airports Commission research commenced appears to re-focus the government agenda on providing a 'carrot' of framework/outline support for expansion and a 'stick' of delivering the Government's environmental goals. Indeed, the Scoping Paper makes it clear that the coalition government is seeking a balance between the economic, social and environmental costs and benefits of aviation. They say, "*unconstrained growth of aviation is not an option.*" (Department for Transport, 2011, p. 6)

At present (early 2014), we await the final outcome of the Airports Commission. On the 7th October 2013, the Commission announced that additional capacity would be required in the southeast of England in the years to come although the final report is not due until 2015, after the next general election. The coalition Government has provided no further information on how airport managers should consult with their stakeholders other than to reiterate that non-statutory master plans are designed to facilitate engagement with a wide range of stakeholders, including local authorities, communities, and businesses (Department for Transport, 2011). More importantly for this research, the Government has made no further attempt to advise airport managers on how they should reach consensus.

3.3 Stakeholder consultation in an airport context

The word 'stakeholder' has been widely used in recent times and in contexts that are frequently adversarial. This situation is particularly pertinent in an airport context, where complaints from stakeholders are widely reported. The travelling public have issues over long delays and the stress associated with air travel. NGOs and community groups have concerns over noise, emissions and surface traffic problems. The Green lobby quotes scientific evidence that aviation is the fastest-growing source of carbon emissions and also that pollution released in the atmosphere by aircraft may be more damaging than at ground level. Airlines, the main airport customers, may have conflicting opinions even amongst themselves: some may prefer airport access without slot restrictions; others, depending on their situation, may be against the creation of slots to prevent further competition.

Stakeholder theory, with its roots in Corporate Social Responsibility, began its evolution in the 1960s, a time of social change marked by protests against 'the establishment' by students, workers, environmentalists and consumer groups. In the 1980s, R. Edward Freeman argued for a stakeholder approach to strategic management in order to address the turbulence organisations were experiencing (Freeman, 1994). Freeman proposed a revision to the extant theory of the firm as a nexus of contracts to incorporate the legal, economic, political, and moral challenges faced by the modern organisation (*ibid*). The aviation sector today is also experiencing turbulence, targeted by terrorists and the subject of protest and complaint by an array of individuals, groups, organisations and institutions over a range of issues. It is for these reasons – the current turbulence in the aviation sector and the heavy involvement of such a wide range of stakeholders – that the literature on stakeholder theory has been interrogated for this study.

3.3.1 *Definition of a stakeholder*

The literature informs us that stakeholders can be considered to be anyone or any group having an interest in or being affected by an activity such as the operation of an organisation (Donaldson and Preston, 1995). From a more narrow perspective, stakeholders are only those individuals or groups that have an economic or contractual relationship with an organisation (Shankman, 1999). An organisation's stakeholders can also be defined across a range of possibilities including descriptive (affected by or can affect the firm), instrumental (managers need to take them into account) and normative (valid moral claims on the firm) (Donaldson and Preston, 1995). Indeed, Friedman and Miles present, "*a summary of fifty-five definitions covering seventy-five texts*" on the subject of stakeholder definition (Friedman and Miles, 2006, p. 4). Nonetheless, whilst definitions vary, there seems to be agreement on, "*the need for stakeholder support to create and sustain winning coalitions*" (Bryson, 2004, p. 23).

3.3.2 *The history and development of stakeholder consultation*

In the UK as in many other parts of the world, there is a growing expectation that interested parties will be involved in consultation on matters of public interest, a trend that is becoming institutionalised (Edelenbos and Klijn, 2005; Kerley and Starr, 2000). This is particularly true for major infrastructure development proposals that require planning permission, such as additional runways or terminal buildings at airports. It seems this tendency to consult has arisen, at least in part, in response to deficiencies associated with rationalism, the earliest theory of planning, and to the process of survey-analysis-plan (Lawrence, 2000). Under this regime, professional planners, working mainly in isolation, first surveyed the existing infrastructure then used a variety of forecasting methods to analyse future demand on the planning space. The planner then produced a vision for the development of the space in the form of a master plan (Wachs, 2006).

There are a number of issues with this method of planning: Firstly, any forecast is based on a set of underlying subjective assumptions about the future (De Brucker and Verbeke, 2007; Steinmann, 2008), which can be manipulated to substantiate a desired outcome. Secondly, there is an institutionalised reaction to the 'truth' in forecasts, which compels action to meet the predicted demand (Wachs, 2006). There have been a number of planning theories since the early rationalist approach, each developed in reaction to negative issues associated with rationalism (Lawrence, 2000). However, as Lawrence points out, there is still no consensus in the field in regard to a preferred theory. The most recent planning theory, Communications and Collaboration (CC), is the result of a reaction to planning as a unitary or non-collective exercise. CC planning, which incorporates critical theory, communications theory, and the literature on public participation, *"seeks to offset power imbalances in favour of the least advantaged"* (Lawrence, 2000, p. 616). The resultant theory:

"may contribute to more transparent decision making, more creative problem solving, and a greater likelihood of public agreement, acceptance, and support" (ibid, p. 617).

This change in the focus of planning theory and practice reflects a gradual move towards wider participation of the public in infrastructure development issues. Table 3.1 tracks the history of participation in decision-making from its roots in liberal democracy and providing justice in decision-making (Beetham, 1992) through its various stages until the invocation of the term 'stakeholder consultation'. R. Edward Freeman first introduced the term 'stakeholder' in 1984 in his seminal paper 'A Stakeholder Theory of the Modern Corporation', signalling a move away from exclusive managerial attention on the shareholder. Since then, the stakeholder has become a near ubiquitous part of organisational life (Watson *et al*, 2009) and stakeholder consultation an institutionalised and rationalized process, what Meyer and his colleagues describe as:

"the structuring of everyday life within standardized impersonal rules that constitute social organization as a means to collective purpose" (Meyer *et al*, 2009, p. 76).

Table 3.1 A history of stakeholder consultation

Era	Approach
1940s to 1950s	Colonial-type community development deriving from the post-WW2 British Colonial Office's experiences in Africa and India. The objective was to increase industrial and economic development and counter the rise in nationalism.
1960s to 1970s	Post-colonial community development arising from post-colonial guilt and recognition of the hegemonic power structures of the West.
1960s	Political participation as a right and obligation, which drew particular attention from minority groups and women.
1960s to 1970s	Emancipatory participation and liberation theology through engagement with previously excluded groups.
1970s to 1990s	'Alternative' development, where participation is a struggle against political and economic exclusion from decisions about how public resources should be allocated.
1980s	Popularist participation in development sees the institutionalisation of participation in mainstream development processes.
1984	Introduction of the term 'stakeholder' plays a key role in the institutionalisation of participation.
Mid 1990s to present	Social capital provides the link between development and 'good' government.
Late 1990s to present	Participatory governance and citizenship participation

Source: Developed from Hickey and Mohan, 2004, pp. 6-8

Stakeholder engagement was incorporated into UK public policy in 2000 (Watson *et al*, 2009) and has now begun to infiltrate the private sector. One of the early industrial fields to be involved in conducting stakeholder consultations

was the airport sector, which provides an interesting setting in which to explore the aims and objectives of this research. An interesting component of this review of the history of stakeholder consultation is how the practice has diffused through the public sector and into privately owned organisations. Diffusion occurs when:

“an innovation is communicated through certain channels over time among the members of a social system.” (Rogers, 1983, p. 35)

Stand and Meyer (2009) argue that diffusion is facilitated or constrained in two ways. Firstly, diffusion occurs through cultural linkages where actors recognise each other as similar. Many studies have looked at how this type of diffusion occurs using techniques such as network analysis. Secondly, diffusion occurs through theorization or the *“self-conscious development and specification of abstract categories and the formulation of patterned relationships such as chains of cause and effect”* (Stand and Meyer, 2009, pp. 140-141). The theorising of stakeholder consultation around models of justice and progress, which Meyer and colleagues describe as *“the twin pillars of Western thought”* (Meyer *et al*, 2009, p. 77), may have enhanced the diffusion of the practice. And once theorised:

“models must make the transition from theoretical formulation to social movement to institutional imperative” (Stand and Meyer, 2009, p. 143).

3.3.3 Key airport stakeholders and their main issues

Despite the lack of a consistent definition, key airport stakeholders have been grouped and summarised by a number of academic authors, practitioners and the UK government. These include the airport company, users, government, and the local community (Dooms, Macharis and Verbeke, 2007), Zakrewski's Community, Air Travellers, Airlines, Government, Investors, and Creditors (Zakrewski, 2006, p. 2), the government's key parties covering airlines, Government Office, Regional Development Agency (RDA), planning authorities,

environmental agencies and surface access providers (Department for Transport, undated b, p. 9), and ARIC's more detailed list shown in Table 3.2.

Table 3.2 Stakeholder groups and main interests

Stakeholder group	Interests
National/regional government including RDAs	Policy formation, regional development
Airport regulator (CAA and EU)	Safety and economic regulation
Airport company	Growth and development
Airport employees	Stable employment and opportunity
Airport service partners	Commercial development
Local government	Social and economic development, environmental protection
Airport users	Airport services/route development
Communities affected by airport operations	Noise nuisance and other local impacts, employment and access to aviation
NGOs e.g. environmental pressure groups	Global and local environmental impacts
Business, commerce, tourism, arts, sports and education organisations	Route development/ passenger growth, trade and inward investment
Airport suppliers	Growth of market
Providers of other local transport services	Growth and integration of services

Source: Based on ARIC (2003, p. 34)

The author has supplemented this list with the addition of the airport regulator, which covers the Civil Aviation Authority, CAA, in the UK, agencies such as the

European Aviation Safety Agency, EASA, and European Organisation for the Safety of Air Navigation, EUROCONTROL, in the EU, and the International Civil Aviation Organization, ICAO, for the United Nations. This list also includes the main interests of each of the stakeholder groups.

It is clear that airports have a large number of stakeholders with a wide range of interests. Airport managers tasked with attending to the demands of such a diversity of stakeholders must surely have difficulties. And although the government-defined airport master plan process includes the need to consult with stakeholders, it does not incorporate mechanisms for reconciling conflict between competing interest groups. This leads the airport master plan process to become adversarial, sometimes resulting in recourse to legal adjudication. The absence of effective decision mechanisms in airport planning processes can cause lengthy delays and costly procrastination (Bond and Young, 2006).

So how do airport managers incorporate stakeholder contribution in their final master plans? This is clearly an important question for all stakeholders. However, a review of the literature on participatory decision-making failed to uncover research into the airport master plan consultation process. Indeed, there is little empirical evidence on how the consultation process affects decisions on how airports are developed. Many questions remain unanswered: Do managers change the strategy they describe in their draft master plans after they gather the opinions of their stakeholders? Or do they perhaps simply tinker with the details of their original strategy? Can stakeholder opinion be reconciled or is compromise just not possible?

3.3.4 *Alternatives to stakeholder consultation*

Planning theories have evolved from an early rationalism to include ‘critical dialogue’ and collaboration with stakeholders (Lawrence, 2000). In this context, collaboration refers to consensus building, ‘participate-agree-implement’ (The Environment Council, no date) or engaging stakeholders in informing a decision. This contrasts methods where communication with stakeholders takes

place at a late stage in the planning process as 'decide-announce-defend' (The Environment Council, no date) to get a reaction or opinion from them (Perret, 2003) with the intension of gaining acceptance for a proposal through convincing argument. It is interesting to note the stage at which stakeholders are involved through consultation. Manchester Airport consulted at four main stages (Moss *et al*, 1997) covering the development strategy for the runway, the scoping document for the EIA (environmental impact assessment), the options being considered for the site of the runway, and on the final/preferred scheme. Many other airports consult on a draft master plan and make relatively few changes in their final plan. Involving stakeholders at a late stage in the process may simply be an attempt to legitimise a *fait accompli* situation and may cause considerable resentment (Stern and Fineberg, 1996).

The theories and historical timeline shown in Table 3.1 on page 52 refer to a bureaucratic planning function. However, although government does retain control over planning applications, for privatised infrastructure-based organisations such as airports, nuclear power facilities and other utility companies, consultation prior to submission of a planning application is under the control of private sector management. In terms of airport development, Environmental Impact Assessments (EIAs) have been promoted as a means to facilitate participation from a wide stakeholder 'public' with the intention of integrating different conceptions of the environment and achieving sustainable development (Petts, 1999). However, a number of researchers (Bruhn-Tysk and Eklund, 2002; Dresner and Gilbert, 1999; Soneryd, 2003; Stallworthy, 2004) have reported limitations with the EIA process, particularly that the public's view is sought but invariably discounted in favour of the 'expert view'.

Marchau *et al* (2008) suggest an adaptive approach to planning that allows for innovative solutions to be applied to uncertainties as they are encountered in a flexible, iterative process rather than attempting to 'cover all the bases' before implementing a rigid plan. However, an iterative process implies providing stakeholders with a significant degree of power and influence (Lawless *et al*,

2003) over their level of cooperation, ensuring the timing of stakeholder involvement is sufficiently early in the process, and the extent to which the final decision does indeed reflect the views of stakeholders. Perhaps the most apparent distinction between 'consultation' and 'stakeholder dialogue' is that the former may well be more about getting a reaction or opinion from stakeholders whereas the latter is about "*engaging people in informing a decision*" (Perret, 2003, p. 385).

There are a number of alternatives to consultation identified in the literature. Perret (*ibid*) provides a typology of engagement, where consultation is placed at the mid-point with information giving and information gathering preceding and bounded dialogue and open dialogue succeeding. Edelenbos and Klijn (2005, p. 429) also suggest that the depth of participation may affect the outcome of interactive decision-making and define a participation ladder, as shown below:

- Informing:* Stakeholders are merely informed on the decision-making agenda without the opportunity to input.
- Consulting:* Stakeholders are regarded as a useful discussion partner to supply ideas and information but no commitment to include their views is made.
- Advising:* Stakeholders are given the opportunity to raise problems and propose solutions and there is some commitment to incorporate these views in the final decision-making.
- Coproducing:* Stakeholders are involved in determining a problem-solving agenda and search for solutions together with principle decision-maker, who is committed to these solutions in the final decision-making.
- Co-deciding:* Development and decision-making is the responsibility of those stakeholders involved and the results of the process are binding.

Stakeholder engagement in the radioactive waste management sector is carried out with the understanding that engagement with stakeholders will be dialogue-

based and inform final decisions (Lawless *et al*, 2008). Indeed, advice published by the International Association for Public Participation (no date) list core values for the practice of public participation as follows. Public participation:

1. Is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
2. Includes the promise that the public's contribution will influence the decision.
3. Promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers.
4. Seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Seeks input from participants in designing how they participate.
6. Provides participants with the information they need to participate in a meaningful way.
7. Communicates to participants how their input affected the decision.

Pointing to what they describe as the UK's long tradition of participation in areas such as economic development and land use, the Involve Foundation, a not-for-profit organisation of public participation specialists, defines participation through its three key types: public, such as political and civic; social, such as membership of a community group, trade union, or tenants' association; and individual, which covers the choices and actions individuals make in everyday life (Brodie *et al*, 2009). The process of engaging stakeholders to participate in and contribute to decision-making has recently been referred to as "*public engagement*" (Warren, 2008) or a "*deliberative inclusive process*" (DIP) (Soneryd, 2004). Objectives include:

"deepening the level of discussion between participants in relation to environmental decision making" (Soneryd, 2004, p. 60).

The interest in participation has, "*witnessed an explosion of interest*" (Brodie *et al*, 2009, p. 6), perhaps the reason Involve are able to list 36 participatory

techniques and, with its broader mandate, Graham Smith's work for the Power Commission lists some 50 techniques (The Power Inquiry, 2006).

A business-led investigation initiated by the Royal Society for Arts (RSA Inquiry, 1995) reported the view that, whilst the responsibility of directors is undoubtedly the long-term survival and economic effectiveness of the company, this may require an "inclusive" approach (the term is preferred to 'stakeholder' approach due to its political associations) to the concerns of the public. Heller turns to the case for an 'Open Society' and the contrast between monism and pluralism:

"a belief that diversity is not only equitable, but also functional in producing superior solutions compared with the imposition of a single authoritative regimen" (Heller, 1998, p. 1448).

Indeed, Bryson proposes that it may be the case that taking stakeholders into account is critical to problem solving (Bryson, 2004).

Whatever the terminology used, it is worth noting that ultimately the notion of managerial prerogative is deeply embedded in capitalist systems and in law so that:

"the board of directors is defined as the ultimate decision-making body and its duty is to make returns for shareholders" (Edwards and Wajcman, 2005, p. 115).

These authors, whilst describing participation as having the potential to work to an extent, acknowledge that from the viewpoint of the owners of capital, participation may be either a minor activity - something that could interfere with production - or a means of misleading workers. Workers may have little more confidence in their participation, which may be recognised as an effort to mislead or be nothing more than a sideshow (*ibid*, 2005).

3.4 Consultation in airport master planning

The International Civil Aviation Organization (ICAO) conceptualises the master planning process as a series of steps that present, "*the planner's conception of the ultimate development of a specific airport*" (ICAO, 1987, p. 1-2). These steps commence with the documentation of existing inventory, forecasting future demand for air traffic and determining the facilities required to meet demand. The next steps are to evaluate any existing or potential constraints before prioritising elements such as airport type, constraints, and political considerations. Finally, several master plan alternatives are prepared and compared before providing, "*all interested parties with an opportunity to test each alternative*" (ICAO, 1987, p. 1-3) and selecting the most appropriate. Following the 1986 Airports Act, airport master plans have become *de rigueur* if airport owners are to meet government guidelines. The Government White Paper, *The Future of Air Transport* (Department for Transport, 2003) states that:

"Airport operators are recommended to maintain a master plan document detailing development proposals. An airport master plan does not have development plan status, but the level of detail contained within it is essential to inform the content of the Local Development Framework. We will expect airport operators to produce master plans or, where appropriate, to update existing master plans to take account of the conclusions on future development set out in this White Paper." (Department for Transport, 2003, paras. 12.7, 12.8)

3.4.1 Government guidance

Whilst the White Paper acknowledges that airport master plans are not a legal requirement, the Government strongly encourages their use in providing a clear statement of intent by an airport operator for any future development so this can be considered in local and regional planning processes. The Government

(Department for Transport, undated a, p. 2) sets out the benefits of airport master planning under the following aims:

- Clarifying an airport operator's plans for infrastructure development to stakeholders and evidencing the link to the Government's policy framework set out in the White Paper.
- Informing long-term resource planning for local and regional stakeholders, particularly in the preparation of strategies and local plans.
- Communicating plans to stakeholders, including airlines, funding institutions, and the local authority in order to inform investment decisions by these stakeholders.
- Advertising key milestones of development projects such as submitting planning applications, construction phase, and forecast inauguration of new infrastructure.
- Assisting government agencies to monitor progress against the White Paper and providing consistency between UK airport master plans.

3.4.2 *Involving stakeholders in the master plan*

For some decades, public sector organisations have been engaging with the populous. More recently, private sector organisations have come under pressure to acknowledge and manage the interests of a diverse range of stakeholder groups (Booth *et al*, 2008; Freeman, 1984). Since privatisation of many of the UK's airports, the government has made communication and consultation with stakeholders virtually mandatory to the master plan process. It is inevitable that stakeholders will have different ideas based on their perspective relative to the development of the airport. Even within stakeholder groups there may be differences of opinion. Airlines may be keen to increase the slots available to them, particularly at peak times whilst those with the slots they require may be against capacity expansion in order to keep out competitors and to avoid paying for the costs of development. Local residents may be less than happy with the increased traffic and noise that result from

airport expansion as seems to be the case with proposed expansion at Heathrow, whilst the residents of Thanet, the location of Kent International Airport at Manston have expressed, “*broad support for the proposed expansion of the airport*” (MORI, 2005).

Whilst stakeholder consultation is seen as vital to the master plan process, how and with whom consultation should take place is not specifically detailed in the guidance. Indeed, there has been little academic attempt to evaluate the process or efficacy of stakeholder consultation (Bond and Young, 2006; Kerley and Starr, 2000) even for more commonly undertaken government led public policy-making reasons. As an example, research on Environmental Impact Assessments (EIAs) showed that, despite the regulations stipulating public participation, “*ambitions to involve the public often fail*” (Soneryd, 2004). Freeman and McVea point out, “*the continued neglect of a stakeholder approach in the area of strategic management*” (Freeman and McVea, 2001, p. 25). How stakeholders’ concerns are addressed in the development of the final master plan, particularly when issues are in conflict, form the basis of the rationale for this research.

As far as government stipulation for consultation with stakeholders, the *Guidance on the Preparation of Airport Master Plans* document (Department for Transport, undated b) states the importance of full-scale public consultation, particularly where development includes major infrastructure. Key parties in the master plan consultation process, according to the Government include:

“principal airline users, the Government Office or Devolved Administration (as appropriate), the Regional Development Agency, the local planning authorities, the local representatives of the statutory environmental agencies (where their statutory duties are likely to be engaged) and key surface access providers (local highway authority, Highways Agency, Strategic Rail Authority and Passenger Transport Executive) where appropriate.” (Department for Transport, undated b, p. 9)

It is, however, acknowledged that:

“it may not be possible for agreement to be reached with all stakeholders on the process or content of a master plan. In these circumstances, the ultimate responsibility for the final content of any plan should lie with the airport operator.” (Department for Transport, undated b, p. 9)

The master plan process inferred by the White Paper is shown in Figure 4.

Figure 4 The master plan process



Source: Designed by the author

Government guidance encourages airport operators to carry out an extensive consultation, whether or not the final master plan is to be used to input to strategic and local land use plans or submitted in support of a planning application. Issues involving land use and zoning tend to be fields where public consultation is most widely used but are, “*where NIMBY (not in my backyard) and LULU (locally unacceptable land use) phenomena are common*” (Kerley and Starr, 2000, pp. 188). Interestingly, the guidance was at pains to point out

that consultation is only being sought on proposals set out in an airport's draft master plan and not on the then Government's framework as set out in the White Paper. This is a clear case of the decoupling of the discourse on consultation from the act of consulting. Since UK governments have precluded any frank discussion on the utility of the consultation process, found by academic research to be less than efficacious (Bond and Young, 2006; Kerley and Starr, 2000), airport managers are left to carry out expensive and possibly ineffective consultations.

Nonetheless, inviting comment from stakeholders on a draft master plan is but part of the consultation process: The issue this study focuses on is what happens next. How do airport managers decide who to listen to and who to ignore as they finalise their master plans? Chapter 2, which reviewed the stakeholder and institutional literatures, provided some explanation of how individuals, groups, organisations and societies form opinions and why these opinions are frequently in conflict. What has not been discussed or defined are the strategies airport managers use to decide how to incorporate stakeholder contribution as they finalise their master plans. This omission in the literature provokes the research question "How do airport managers decide how to incorporate stakeholder contribution in their final master plans?"

3.5 Chapter summary

Continued procrastination by successive governments about increasing airport capacity has been exacerbated by the need to coerce the UK's now privately owned airports to develop where and when politicians require them to. Airports polarize opinion between meeting air traffic demand to support local and national economies and managing demand to protect the environment. Although the UK has a long tradition of consultation (Brodie *et al*, 2009), particularly about infrastructure development (Lawrence, 2000), the notion of consultation has become institutionalised without much critique or use of rigorous evaluation methods (Albert and Passmore, 2008; Kerley and Starr, 2000; Nicholson, 2005). The expectation is that participation will resolve differences (Bond and Young, 2006) but no evidence for this has been found by empirical studies (Chess and Purcell, 1999).

Government guidance leaves airport managers much leeway to interpret how they consult, who with, how they resolve disputes, and who's opinion to ultimately take account of and who's to ignore. Evidence shows the public view is often discounted (Bruhn-Tysk and Eklund, 2002; Dresner and Gilbert, 1999; Soneryd, 2003; Stallworthy, 2004) and there has been much academic and public discussion about whether consultation is simply satisfying a need for communities to be asked, providing an opportunity for the public to complain, and should in fact be left to the political process (Kerley and Starr, 2000). Indeed, as Bond and Young point out, the master planning process does not appear to have evolved in line with the operating environment. In the UK, stakeholders are presented with a draft master plan on which their comments are invited rather than being involved from the outset of the process. Given this situation, the question this research addresses is how airport managers incorporate stakeholder contribution in their final master plans. The following chapter focuses on establishing theoretical strategies, derived from the literature, managers might take as they finalise their master plans.

4 FINALISING THE AIRPORT MASTER PLAN

4.1 Introduction

Descartes first proffered that man was rational - could think - but it was Chester Barnard in his book *The Functions of the Executive* published in 1938, who first attributed the role of decision-making to managers. This was to revolutionise management, moving an interminable process of policy-making and resource allocation to the commencement of action (Buchanan and O'Connell, 2006). Other authors such as Herbert Simon, James March and Henry Mintzberg have subsequently placed the study of organisational decision-making firmly within academia. Indeed, this literature is founded on Herbert Simon's conceptions of bounded rationality and the sequential stages of "*intelligence-design-choice*" (Simon, 1960, p. 2). Since this sequential theory, other theories have attempted to account for social interaction in the decision-making process (Cyert and March, 1963) as well as the chaos of externalities affecting organisations and the 'anarchic' processes used to deal with them, which resulted in the proffering of the 'garbage can' model (Cohen *et al*, 1972).

This chapter considers how managers rather than politicians make decisions to incorporate or exclude stakeholder input garnered through the communication process. Shifting the responsibility for public consultation from government departments to the private sector has been a consequence of the privatisation of many of the UK's airports. Indeed, the trend towards relaxing the regulation of business in favour of the 'invisible hand' of market self-regulation (Anderson, 1997; Lovink, 1999) has placed responsibility for a range of problems on managers rather than on government (Anderson, 1997).

The insistence upon stakeholder consultation is a move by the UK government to 'script write' another facet of the airport manager's role, bringing to the private sector an element of the script for those in public service and moving them towards becoming, "*agents of collective goods and realities*" (Meyer, 2009, p.

44). What Meyer finds interesting in this process of institutionalisation is that actors have to believe in the practice, in this case stakeholder consultation, if it is to work. As he points out, simply following the rules does not work and indeed working-to-rule, “*is a classic oppositional union strategy*” (*ibid*, p. 48). If airport managers are simply following the rules of stakeholder consultation, it will not be effective. However, the ‘rules’ of stakeholder consultation have not been specifically defined and one of the key elements of the empirical research phase of this study is to determine the institutional conditions or taken-for-grantedness that apply to a stakeholder consultation.

This chapter is structured such that first the manager’s role in mediating the conflict ensuing from these situations is discussed. However, collecting knowledge and opinion from stakeholders through a consultation process is but the first of two coupled activities: the second involves deciding what should be done with all this information (Soneryd, 2003). Drawing on the findings from the two previous chapters, the following sections provide a conceptual account of the strategies managers might take as they make decisions after a stakeholder consultation.

4.2 Handling stakeholder conflict

A key element embedded in the research question “How do airport managers incorporate stakeholder contribution in their final master plans?” is the need to manage the conflict between stakeholder opinion. This section therefore considers the management function described in the literature and how managers might handle the conflict competing logics create. This section also points to a difference between choosing between options and problem solving as decision-making processes.

4.2.1 *The management function*

Whilst managers may be firmly centre stage, the various perspectives described in the organisational decision-making literature each have their own emphasis on the managerial role. For example, the “*stakeholder literature reifies managerial power*” (Mattingly and Hall, 2008, p. 68), making managers the pivot around which stakeholders must revolve and whose attention they must grab. Protracted debates on where and when airport infrastructure should be developed (as reported in the press and in government White Papers) illustrate the power of stakeholder argument and may dispute this managerial hegemony. Indeed, Jones *et al* (2007) confirm that it is not uncommon for decision-making involving stakeholder relationships to be fraught with tension as trade-offs in the allocation of benefits and burdens are negotiated between the firm and the different stakeholder factions. Whilst these tensions are universally acknowledged, the literature diverges on how they are (descriptively) managed or should be (normatively) managed. For example, whilst agency/shareholder theory describes managers as the source of conflict (Mitchell *et al*, 1997), the stakeholder approach views managers as mediators of conflicts, akin to the political brokers described in the theory of the firm as a coalition (Cyert and March, 1963; March, 1988).

As mediators, managers can act in a range of ways: At one end of a continuum, individuals act in a self interested manner as described by agency theory,

where the interests of others are not taken into account (except where this would affect the individual), which Jones *et al* (2007) describe as 'amoral'. The continuum passes through actions that have 'limited morality' to 'broadly moral' where decisions taken have an altruistic regard for 'the other' (Jones *et al*, 2007, p. 145). Hendry describes the tensions involved for managers in mediating the interests of 'self' or 'other' by describing two contrasting doctrines; a market morality, which mirrors that of self-interest, or a traditional morality, where managers embrace notions such as obligation, duty, honesty, respect, fairness, equity, care and assistance (Hendry, 2004, p. 252). Hendry highlights the swing from a society dominated by traditional morals, where business was regulated domestically and globally and heavily influenced by the Church to, from the late twentieth century, a market morality, where self-interest has flourished under the ideology of a market culture and been perpetuated by developments in media and communications technology.

This market morality has rapidly become embedded in our institutional context. However, stakeholder theory implicitly endows the managers of an organisation with the moral right to limit the privileges of shareholders by taking account of the interests of other stakeholder (Weiss, 1995). As Weiss points out:

"This is inconsistent with the arrangement of the institutions of modern capitalism" (Weiss, 1995, p. 5).

Indeed, institutional theory posits that decision-making, rife with ambiguity and complexity, tests the cognitively limited ability of individuals (March and Olsen, 1976, 1989). To overcome this limitation, individuals are guided by the cultural beliefs and rules - the institutional logics - that prevail within a field. Institutional logics focus the attention of decision-makers who are sensitive to different market conditions, on a delimited number of issues and solutions, which provide the basis for subsequent problem-solving organisational strategies (Lounsbury, 2007; Thornton, 2002; Thornton and Ocasio, 1999).

4.2.2 *Managing the conflict competing logics create*

Conflict between competing interests/logics creates problems for decision-making within organisations: Shareholders want a return on investment; managers want growth and an improving industry position; employees want careers and job security; government regulators want environmental protection, health and safety for workers and the local community, job creation, and tax revenue (Anderson, 1997). Indeed, stakeholder conflict seems to have replaced the class conflict of a past era (Meyer, 2009), shifting the focus from within the capitalist logic to between the various stakeholder logics. Stakeholder theory is concerned with managing the potential conflict that stems from these divergent interests (Frooman, 1999).

Given the level of accountability required of the airport sector, any decisions on major issues such as the development of infrastructure have to be made in consultation with stakeholders and justified publicly. These decisions and the justifications or explanations given for them may tend to appease some and provoke others. At the extreme, they have the potential to alienate stakeholders and even delay development plans if legal challenges are made (United States General Accounting Office, 2003). De Brucker and Verbeke state that:

“Conflict is based on the incompatibility of goals and arises from opposing behaviours.” (De Brucker and Verbeke, 2007, p. 73)

These opposing behaviours and the goals they set out to achieve are the product of the underlying logics that stakeholders rely upon when forming their argument. As described previously, the logics that typically underlie arguments surrounding airport development include capitalism (profit-based argument), bureaucracy (regulation-based argument), and democracy (individual rights-based arguments).

Whilst previous studies have considered the link between field-level institutional logics and the decisions made by individuals (Fligstein, 1985; Thornton, 2002), there is yet to be a, “*widely accepted economic model of the internal decision-making of firms*” (Kelsley and Milne, 2006, p. 566). White (2008), who also

declares the literature lacking in this field, proposes a number of interrelated dimensions for assessing decision-making processes relating to urban infrastructure, including:

- Inlusiveness: The extent to which decision-making processes include “*grass roots citizens*” or voiceless “*mini-publics*” (White, 2008, p. 2) as well as elite stakeholder decision-makers.
- Deliberation: The provision of space and time for participants to understand and discuss issues.
- Empowerment: The extent to which consultation processes provide participants with a level of influence over the decision-making process.
- Decision timing: The strategic level at which decisions are made (i.e. early enough to make an impact) and to the extent to which community engagement is embedded in rather than an adjunct to the decision-making process. For example, in the case of the enlargement of the port of Rotterdam, stakeholders whose influence on the planning process was merely reactive, clashed with government resulting in serious delays to the project (Deelstra *et al*, 2003)
- Influence of elites: The provision made to prevent undue influence of powerful stakeholders on the decision-making process. For example, in the case of Schiphol Airport’s fifth runway, concentration of decision-making in informal but influential arenas organised by the government led to failure to gain wide support and the eventual inclusion of the anti-airport lobby in discussions (Boxtel and Huys, 2005; Deelstra *et al*, 2003).
- Scope: Particularly relevant in transport issues, this dimension refers to how holistic or interconnected decision-making is.

4.2.3 *Choosing between options or problem solving*

Building on the definition of ‘decision’ as commitment to action (Langley *et al*, 1995; Mintzberg *et al*, 1976), Solem (1992) points to a distinction between decision-making as a choice between a number of existing possible courses of action, and problem-solving, which instead of focusing on pre-defined options,

sets out to describe the problem and invent new solutions to resolve it. This is a key point and one that will be pursued at the empirical research stage. The question here is, do managers simply decide between the conflicting options presented to them or do they embark on a process of innovation to find a new solution to the problem presented? Research on decision-making generally considers failure (such as to meet a target for sales, quality, turnover, etc.) to be the trigger for an organisation to begin a process of searching for alternative courses of action (March, 1988). In the case of master planning and its stakeholder consultation process, airport managers are obliged to 'search', not to find a solution to a problem but to create a problem. The problem – conflicting opinions – must then be resolved at least sufficiently for managers to arrive at a solution.

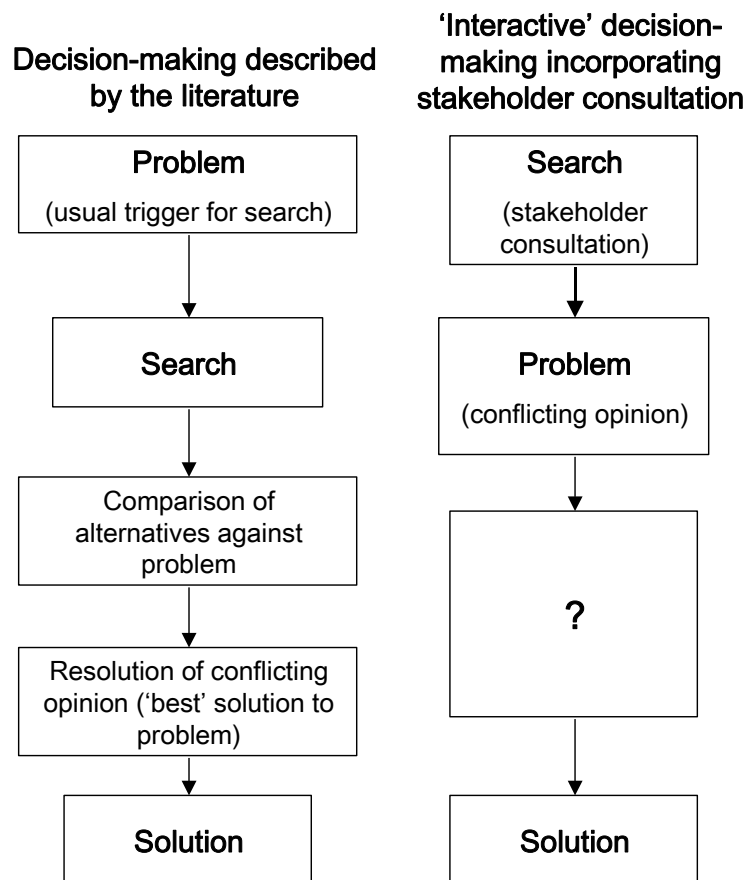
Unlike the decision-making processes described in the literature, with airport master planning and its consultation process the organisation finds itself in the situation where it is not searching for solutions to problems nor has it been made aware of an alternative seeking to solve a problem (March, 1988). Instead, airport managers undertake the search specifically in order to identify problems in the form of stakeholder differences of opinion. Since this process is not currently described in the literature it is shown as a question mark in Figure 5, which compares these two problem-solving processes.

Decision-making has also been examined in the literature in terms of rule following, where decision makers simply follow 'rules' that reflect historical intelligence and organisational learning (March, 1988). These rules of action, *"are followed because they are seen as natural, rightful, expected, and legitimate"* under a 'logic of appropriateness' (Olsen and March, 2004, p. 3). As the master plan process is relatively new (the first cycle for some of the case airports), many airport managers will be experiencing stakeholder consultation for the first time. The question that remains unanswered from the literature is on what do managers draw to set the 'rules' for this particular, and possibly

peculiar, decision? Even if rules exist or can be created, decision-making cannot be studied successfully without including the decision-maker's:

“insight and inspiration, emotion and memory, and at the collective level to include history, culture, and context” (Langley *et al*, 1995, p. 261).

Figure 5 Comparing problem-solving processes



Source: Designed by the author with reference to Langley *et al*, 1995; March, 1988; March *et al*, 1958; Mintzberg *et al*, 1976; Simon, 1960

The following sections outline the four potential strategies airport managers might employ as they make decisions on how to adjust their draft master plans following consultation with their stakeholders. These four possibilities are investigated at the empirical stage of this study.

4.3 Responding to institutional pressure

One of the key purposes of this research is to find a means to integrate the stakeholder framework within institutional theory and to make a contribution to the long running agency/structure debate. However, it would be remiss to exclude from this list of theoretical decision-making strategies an option where managers have little or no agency in their decision-making. The institutional perspective, with its rich appreciation of symbols, language, myths and ceremonies, provides an explanation for the interaction between social and cognitive processes (Lawrence *et al*, 2009). As such, it plays a key role in this study for its explanations of how the institutional context affects the way managers react to societal expectations (Chung and Luo, 2008; Jones *et al*, 2007; Martinez and Dacin, 1999).

The institutional perspective embeds individual and organisational action within institutions but, as institutions are socially constructed, they in turn are created and changed by the actions of individuals and organisations (Battilana, 2006; Green *et al*, 2008; Thornton and Ocasio, 2008). This body of literature also helps explain how managers might be drawn towards the opinions of some stakeholders in preference to others in their decision-making. Given its potential and the status institutional theory has attained in academic study of organisational behaviour, it is disappointing this literature has so far failed to attract the attention of a practitioner audience (Lawrence *et al*, 2009). By reconciling institutional theory with the practicalities of stakeholder theory, it is hoped this study, set in a contemporary context and with its focus on an area of previously unresearched managerial decision-making, will catch the attention of practitioners faced with similar problems to those investigated in the empirical phase of this study.

Managers are under considerable pressure to appear legitimate in the way they run their organisations (Deephouse and Carter, 2005; Friedland and Alford 1991; Green *et al*, 2009; Suchman 1995) and routinely monitor the behaviour of

their competitors (Stand and Meyer, 2009). Airports are unlikely to be any different and are perhaps under more pressure than some other sectors given the safety and security issues that affect passengers, staff, local people, and indeed wider communities in the UK and abroad (c.f. aviation incidents such as Lockerbie and New York's Twin Towers). Both desire to appear legitimate and benchmarking activities assist the process of isomorphism. Meyer and his colleagues provide strong evidence for the institutionalisation of entire industries, where institutional claims and definitions are found to be very similar. They found that:

"Differences across particular settings result from the organization of that setting around varying emphases or interpretations of more general institutional rules. For example, socialist notions of justice, progress, and technique are remarkably similar to their capitalist counterparts; albeit specified somewhat more around equality than liberty and organized more corporately by the bureaucratic state. Moreover, beyond the given differences, quite similar goals and means are specified and pursued, even down to the details of particular industries, or welfare and educational progress." (Meyer et al, 2009, p. 78)

This similarity of goals and means lead to what DiMaggio and Powell (1983) describe as isomorphism – a noticeable tendency for organisations to resemble one another. It is isomorphism that provides an explanation for the diffusion of practices within a sector, which Stand and Meyer summarise as:

"the homogenizing effects of coercive pressures from the state or dominant organizations within the field, imitation among organizations unable to calculate individually optimal strategies, and linkages to standardized and recalcitrant professions." (Stand and Meyer, 2009, p. 139)

In the airport sector, normalising effects may well arise from coercive pressures from the state and key organisations within the field such as the CAA (Civil Aviation Authority), IATA (International Air Transport Association) and from links

with a limited pool of consultants and professionals who diffuse standardised practice.

Meyer and his colleagues remind us that there has been a chronic tendency for theory to suppose that action is the result of choices and decisions made by rational actors. They propose that this inclination is based on the erroneous conception of the “*sovereign moral authority*” of human beings (Meyer *et al*, 2009, p. 82). They therefore urge researchers to reject the greater legitimacy and authority found in agency-based theories, particularly at the level of individuals or nation-states, and:

“step outside this taken-for-granted view in order to analyze Western cultural functionalism, or we are all too likely to let our theories be dominated by it.” (Ibid, 2009, p. 82)

What is interesting and as yet under researched is to define the norms that exist in the airport sector. Green *et al* (2009) uncovered two categories of norms in organisation; norms of conformity, where managers follow what is seen as best practice in the industry, or norms of progress, where it is taken-for-granted or acceptable for organisations within a sector to be seen to continually innovate. The first *a priori* strategy that suggests how managers take account of stakeholder opinion, is that they will respond to the perceived norms in the industry and replicate what they see as best practice. This and three further possibilities defined in the following sections will be investigated at the empirical phase of the study.

4.4 The salient stakeholder

The second decision-making strategy derives directly from the stakeholder literature and the work on stakeholder saliency (Agle *et al*, 1999; Jones *et al*, 2007; Mitchell *et al*, 1997; Vilanova, 2007). This literature describes managerial attention as being focused on those stakeholders who have a combination of power, legitimacy, and urgency in their claim on the organisation (as described in Figure 3 on page 22). As Freeman and his colleagues point out, the struggle for stakeholder salience under the “*competitive framing of capitalism leads to debates over who is the “dominant” group*” (Freeman *et al*, 2007, p. 309). Focusing on the dominant group or salient stakeholder in strategic decision-making, “*leads academics and practitioners to make decisions that can hurt the long-term value creation of the company*” (Freeman *et al*, 2007, p. 310).

Previous research shows that airports have a large number of stakeholders with a wide range of interests. However, whilst decisions made by airport managers may be tailored towards the institutional logic of their current salient stakeholder, it is evident that saliency and therefore the attention of managers can change over time. Indeed, Vilanova (2007) found that Eurotunnel management changed their perception of which stakeholder was salient over a period of time from the company’s creation, when the constructors were considered to be salient, to the bankers when finance became the biggest issue for the company, and ultimately (by the end of the study in 2007) to individual shareholders.

Jones *et al* build upon Mitchell *et al*’s stakeholder salience theory to explain how salience might be viewed differently from particular types of organisations. The airport context employed by this study allows for the saliency of particular stakeholder groups to be compared between airports with different ownership patterns (fully privatised, part privatised, or fully publicly held). The different organisational types Jones *et al* (2007) describe are corporate egoist (where short-term profit maximisation, self-interest and stewardship lead to a culture of

care for stakeholders only), instrumentalist (where moral standards are sacrificed for the sake of economic advantage), and moralist (where managers would only violate their moral standards if it were necessary for the survival of the firm). What Jones *et al* make clear is that:

“stakeholder cultures differentially influence the perceptions of managers regarding the ascription and subsequent weighting of the three attributes (power, legitimacy, and urgency) of the claims of stakeholder groups” (ibid, 2007, p. 151).

In particular, whereas the response to stakeholders’ power is generally rational and self-regarding, the response to legitimacy derives from ‘moral’ or ‘other-regarding’ behaviour.

Jones *et al* (2007) therefore propose that corporate egoist firms (those behaving as described in the economics/agency literature) will respond first and foremost to power. For airports that may have shareholders with concentrated holdings, customers (airlines) who can use other airports, and government agencies with powerful regulatory control, those whose stakeholder culture is corporately egoistic are likely to respond to this power. However, Warren (2008) points out that when elite groups, those with power, are allowed to use their discretion, at least three problems can arise: 1) agendas can be set that ignore some of the issues and therefore do not include all relevant stakeholders; 2) the ‘squeaky wheel’, frequently those with wealth, education, and power, becomes the focus of attention rather than covering all those affected; and 3) bias is towards the *“intensively interested and well-organized”* and, *“against the unorganized, as well as against latent public goods”* (Warren, 2008, p. 14).

Under Jones *et al*’s instrumentalist stakeholder culture where managers see the benefit of moral behaviour when they can gain its benefits without losing their self-interest, managers will still respond to power in the first instance but will also regard legitimacy as a secondary determinant of salience (Jones *et al*, 2007). Finally under Jones, Felps, and Bigley’s model, firms with a moralist stakeholder culture:

“have a genuine concern for stakeholder interests, making legitimacy the primary driver of salience for their managers” (Jones et al, 2007, p. 152).

Despite the somewhat different predictions between Mitchell *et al* (1997) and Jones *et al*'s (2007) theories, particularly in terms of stakeholder cultures under which legitimacy rather than power determine salience, some issues remain. For example, it seems the increasing desire to involve stakeholders as an “*approved set of actors*” (White, 2008, p. 4) coupled with increasing reliance on quantifying costs and benefits in monetary terms, may in practice be inhibiting the involvement of citizens, which in turn results in a potentially unstable equilibrium between polarised positions (White, 2008).

Indeed, Hargrave and Van de Ven (2009, p. 125) point to four basic approaches to managing contradiction, of which the first is to ignore all but one extreme position. This option seems to have resonance with stakeholder theory but draws a warning from the literature: Hargrave and Van de Ven (2009) cite a number of examples where taking account of one position only was ineffective and in some cases even counterproductive. The other three options provided by Hargrave and Van de Ven are to satisfy other conflicting positions sequentially, satisfy them all at once, and finally to reframe them as complementary. As such, it may be that following the interests of the salient stakeholder may not be the only strategy for managers to take and is in sharp contrast to the next, which describes how managers may attempt to find a compromise between the views of their stakeholders.

4.5 The quest of a mid-point

The planning literature, whilst noticeably deficient in the context of airports, has supplied examples of decision-making in areas such as the water, waste, and nuclear industries, as well as the planning and development of ports. It also provides general theory, implications, and issues from both academic and practitioner perspectives. In terms of the context for this study, the master plan process requires an airport's management to prepare a draft master plan before conducting a stakeholder consultation. Comments from the consultation, which generally begins after the pre-planning stage, are then incorporated into a final master plan. The plan may be used internally (possibly as part of the company's business plan although this use is unstipulated) or externally to input into strategic and local land use plans or, most commonly where infrastructure development is required, to support a planning application.

In fields such as the airport sector, attention is most frequently drawn to the competition between the arguments (and therefore the logics) put forward by stakeholders. However, collaboration rather than competition may be used as a mechanism to resolve conflict. March *et al* assert that whilst organisations may resort to another decision rule to resolve deadlock, managers will usually attempt, *“to arrive at a decision agreeable to all members”* and that *“most task-oriented organizations have strong tendencies to seek consensus”* (March *et al*, 1958, p. 118). Reay and Hinings (2009) describe the ‘pragmatic collaboration’ of a community of actors:

“where groups work together because they see no other way to accomplish particular tasks.” (Reay and Hinings, 2009, p. 631)

Indeed, one of the ways in which conflict can be resolved is by the achievement of some form of equilibrium between participating stakeholders. Game theory aims to predict equilibrium outcomes, which lie at the intersection of the various players' strategies for winning the game. Essentially, a negotiated equilibrium is reached when there is no incentive, given the choices of the other parties, for any of the parties to change their strategy (Sebenius, 1992).

Whilst stakeholder theory seems not to provide guidance on how to balance stakeholder interests (Sternberg, 1997), the State can, “*enhance the bargaining power of stakeholders disfavoured by prevailing institutions*” (De Brucker and Verbeke, 2007, pp. 78) to create a more equal playing field. In terms of public policy, the government attempts to ensure the costs and benefits of, in this case airport development, are fairly distributed among all stakeholders without discrimination to any particular group (Haezendonck, 2007). Drawing on the well-known ‘prisoner’s dilemma’ scenario, De Brucker and Verbeke describe equilibrium as:

“*a situation that none of the stakeholders involved wants to change, given the actions to be expected from the other stakeholder*” (De Brucker and Verbeke, 2007, p. 74).

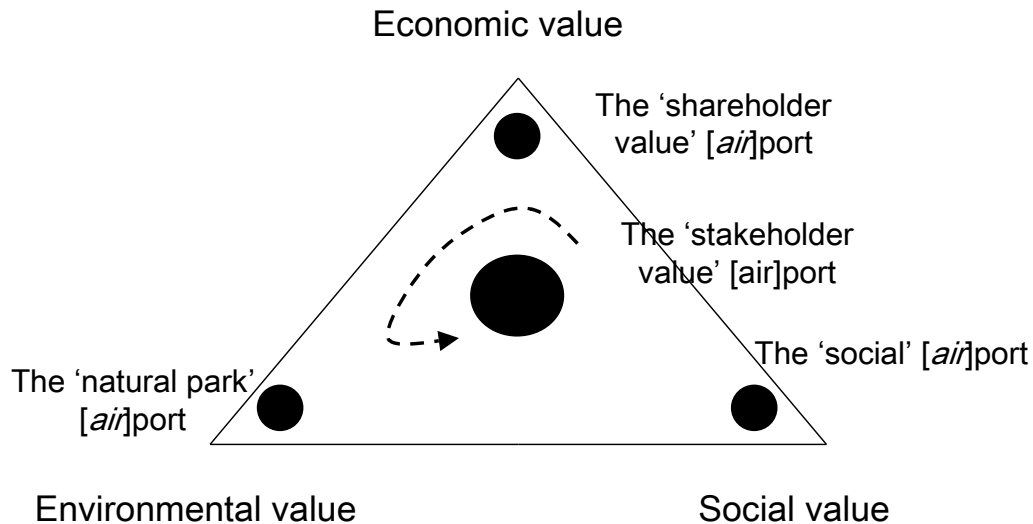
However, rather than a static state, equilibrium may be a dynamic condition in which harmony is perpetually pursued over time (Liu, 2006). Liu points out that structuration theory makes this point, suggesting that a point of equilibrium, “*creates an illusion of stability where none really exists*” (*ibid*, p. 225).

Notteboom and Winkelmans describe a problem-solving approach, where the interests of all legitimate stakeholders are taken into account in “*the quest for the value balance point*” (Notteboom and Winkelmans, 2003, p. 259). This is shown in their diagram, reproduced here as Figure 6. The ‘stakeholder value point’ or equilibrium is depicted as equidistant from three stakeholder views, which Notteboom and Winkelmans describe as ‘economic’ (akin to the capitalist logic in that it refers to the shareholder view), ‘social’ and ‘environmental’. The notion these authors are prescribing is that finding a mid-point between the views of the three categories of stakeholders would provide an ‘ideal’ resolution.

With this model, all stakeholders must forfeit or lose ground for a ‘value balance point’ to be reached. Savage *et al* (1991) suggest that managers should only attempt to minimally satisfy the needs of marginal stakeholders, focusing on maximising the satisfaction of their more dominant stakeholders. This view

gives the impression of providing a combination of saliency (the second strategy) and the mid-point or equilibrium suggested by the planning literature.

Figure 6 Quest for the 'value balance point'



Source: Notteboom and Winkelmanns, 2003, p. 260 [*notations added by the author*]

Fiedler (2011) describes how the German corporate governance system encourages firms to balance the objectives of their different stakeholder groups. This stakeholder orientation in countries like Germany, Fiedler explains, may result in a compromise over strategic decision-making, which in turn may lead to a tendency towards incremental rather than radical change. Druckman and Zechmeister (1970) noted that compromise in situations defined as value dissensus-type conflict, those that are linked to ideological positions, may not be resolved through compromise as this may be seen as discrediting the ideology, the values and beliefs of the compromiser. This would seem particularly prevalent in situations where the interests of a group rather than those of individuals are involved, as disagreement is transformed into a conflict of truths (Druckman and Zechmeister, 1970). It may be therefore that decisions that would at one time have been based on the logic of the salient stakeholder

increasingly need to take account of the logics of all stakeholders in the drive towards sustainability.

In spite of and perhaps in sympathy with the inherent conflicts between institutional logics, managers of organisations influenced by many stakeholders with points-of-view based on a full complement of institutional logics are increasingly concerned to aim for the 'stakeholder value balance point' (Notteboom and Winkelmans, 2003) or equilibrium (De Brucker and Verbeke, 2007). However, attempting to balance the benefits and disadvantages accruing to all stakeholders may preclude business as an activity to maximise owner value (Sternberg, 1997). Certainly, from a traditional viewpoint:

"Conflict is perceived as disruptive and unnatural, and represents a form of deviant behaviour, which should be controlled and changed."

(De Brucker and Verbeke, 2007, p. 73)

Indeed "group think", a term originally coined by Irving Janis in the 1970s, pointed to the dangers of collaborative decision-making and particularly to potential for the desire to reach unanimity overriding a thorough appraisal of all alternative courses of action with its inherent need to resolve conflict (Buchanan and O'Connell, 2006). Perhaps stemming from this idea and in a *volte-face*, instead of being perceived as 'bad', conflict is now being seen as a source of innovation, creativity and a catalyst for change in the drive towards finding win-win or value adding solutions for stakeholders (De Cock and Jeanes, 2006; Freeman *et al*, 2007; Tjosvold, 2007). It is this fourth possibility that is described in the next section.

4.6 Innovative problem solving

In contrast to the third strategy described above, which focuses on reducing conflict, the final section looks at the literature on how organisations can become conflict-positive, using differences of opinion to stimulate innovation (Tjosvold, 2008). For three decades and certainly since 1987 when the World Commission on Economic Development (WCED) coined the term ‘sustainable development’, organisations have come under increasing pressure from stakeholders to adopt environmental, social equity, and economic principles (Adams, 2006; Bansal, 2004). Defined as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*” (Brundtland, 1987, p. 43), organisations must apply three principles to their products, policies, and practices if they are to create the necessary conditions for sustainable development. These encompass:

- Environmental integrity through corporate environmental management;
- Social equity through corporate social responsibility; and
- Economic prosperity through value creation (Bansal, 2004, pp. 199-200)

Historically, competitive advantage has focused on reducing costs or differentiating products and services (Porter, 1979). In the future, however, as well as taking account of the principles of sustainable development, competitive advantage may emanate from managers’ ability to manage innovation and disruption to existing business models (Goodijk, 2003; Hamel and Prahalad, 1994; Hart and Sharma, 2004; Tidd *et al*, 1997). Instead of escalating tension between conflicting institutional logics, which, as each position is legitimate, leads to stalemate (Jarzabkowski *et al*, 2009; Hargrave and Van de Ven, 2009), authors such as Hargrave and Van de Ven discuss how organisations could use contradiction as a source of innovation. They propose that managers, instead of thinking in terms of either/or, should take a both/and approach where they must keep contradictory positions simultaneously in mind to stimulate creativity and

innovation. Indeed, these authors point out the danger of a lack of dynamism in a particular field. They suggest that:

“Even members who benefit from current arrangements may feel bored, frustrated, and hungry for excitement.” (Hargrave and Van de Ven, 2009, p. 129)

Deriving from the study of Corporate Ethics, stakeholder capitalism (Freeman *et al*, 2007) rejects many of the traditional narratives of capitalism such as the way compensation differs between those who provide labour and those who provide capital (Marx), the domination of state bureaucracy over the rights of other stakeholders (Keynes), investor capitalism (Friedman), and managerial control of organisations described under the banner of agency theory (Eisenhardt, 1989). Instead it focuses on replacing the *“winner-take-all mentality”* and value-capture (Freeman *et al*, 2007) with innovative, win-win, value-creating solutions for all stakeholders. Freeman refers to this as value creation and trade (VC&T), where managers put together an arrangement that simultaneously gratifies multiple stakeholders and where each stakeholder is important for the sustainability of the arrangement (Freeman, 2006). As Freeman and McVea iterate:

“Successful strategies integrate the perspectives of all stakeholders rather than offsetting one against another” (Freeman and McVea, 2001, p. 13).

The second and third strategies, attending to the salient stakeholder or attempting to find equilibrium between the positions of their key stakeholders, fall into a decision-making rather than problem-solving category (Solem, 1992). They describe a process where managers ‘choose’ between opinions garnered through the consultation process or attempt to arrive at a middle ground between these choices. The first strategy, responding to institutional demands, indicates no real choice at all. This fourth strategy describes how managers might instead decide to take a problem-solving innovative approach to resolving

the issues identified during the consultation in ways that meet the demands of the principles of sustainable development.

In contrast to the types of decision-making previously discussed, stakeholder capitalism suggests an attempt at creating a new logic, one that acknowledges the three dominant institutional logics of state bureaucracy, capitalism and democracy. This new logic of stakeholder capitalism may provide a means to capture the sustainability - a balance of economic, social, environmental and ecological needs - described by Amaeshi and Crane (2006). At its core, stakeholder capitalism encourages managers to identify and respond to conflict amongst stakeholders in order to resolve differences of opinion and use the process to stimulate innovation and create value for all stakeholders. This view resonates with the problem-solving process described by Solem (1992), who differentiates the search for innovative solutions from that of deciding between a number of fixed options. It may also provide a link between normative theory (ought to be) and descriptive theory (how it is) yet maintain an aspirational quality referred to by Calton (2006, p. 342)

However, changing one prevailing logic to another:

“involves efforts by institutional entrepreneurs to use the economic, cultural, social, and symbolic resources available to them to propagate a new institutional logic in the face of opposition from those empowered by the existing logic who, in turn, would defend the status quo.” (Misangyi et al, 2008, pp. 757)

Indeed, to invest this level of effort may require the catalyst of an exogenous shock (Glynn and Lounsbury, 2005, p. 1031) as well as the involvement of an institutional entrepreneur. Battilana defines the role of institutional entrepreneur as relating to individuals who:

“break with the rules and practices associated with the dominant institutional logic(s) and thereby develop alternative rules and practices” (Battilana, 2006, p. 657).

Few studies have examined the role of the individual institutional entrepreneur (Fligstein, 1997; Maguire *et al*, 2004), a role that can also be played by organisations or groups of organisations (Garud *et al*, 2002; Greenwood *et al*, 2002).

Institutional contradictions, such as inefficiencies relating to cost, time, and the potential for delay inherent in the master plan process as well as the inherent misalignment arising from the underpinning logics of capitalism, bureaucracy, and democracy, give institutional entrepreneurs the opportunity to challenge the status quo. Indeed, disruption to existing business models may be the stimulus managers need to replace the value-taking winner-take-all mentality described by Freeman *et al* (2007) and substitute a desire to provide innovative win-win, value-creating solutions for all stakeholders – even those ‘fringe’ stakeholders (Dunbar and Ahlstrom, 1995; Freeman *et al*, 2007; Hart and Sharma, 2004) previously unnoticed by managers. This fourth strategy for managerial reaction to stakeholder input in the master planning process is therefore to focus on innovation and value creation.

4.7 Chapter summary

Although government has driven the diffusion and institutionalisation of stakeholder consultation, the managerial prerogative remains firmly institutionalised in the UK's arms-length, Anglo-Saxon model of shareholding (Edwards and Wajcman, 2005). For managers, decision-making involving stakeholders is fraught with tension (Jones *et al*, 2007) and institutional theory has been heavily employed in this study to, "*connect the decisions of actors inside organizations to cultural beliefs in contexts outside organizations*" (Thornton, 2002, p. 82).

In contrast to the institutional view, theory from the stakeholder literature "*reifies managerial power*" (Mattingly and Hall, 2008, p. 68) and the stakeholder framework makes managers the pivot around which stakeholders must revolve and whose attention they must grab (Agle *et al*, 1999). If institutions are the rules of the game, stakeholders are the players and the success of stakeholders is dependent upon their saliency (Mitchell *et al*, 1997; Vilanova, 2007) – a combination of power, legitimacy, and urgency (Mitchell *et al*, 1997). This approach views managers as mediators of conflicts akin to political brokers (Cyert and March, 1963; March, 1988).

From a different body of literature, planners promote a solution to conflict where each stakeholder group gives ground on their ideal position to find equilibrium between opposing views. However, this literature indicates that the preferred option may inevitably be that of powerful politicians and developers (Flyvbjerg, 1998; Harvey, 1989; May and Hill, 2006). Short-termism and the impact of the most powerful and vocal (Bryson, 2004; Roloff, 2008) and the exclusion of fringe stakeholders (Hart and Sharma, 2004) shapes what does and does not get consulted upon. Whilst traditional stakeholder theory describes managers' decision-making as merely responding to the 'loudest voice', stakeholder capitalism (Freeman *et al*, 2007) and value creation and trade (Parmar *et al*, 2010) puts the reconciliation of different logics at centre stage, where managers

find a balance between economic, social, environmental and ecological needs (Amaeshi and Crane, 2006). The creation of a new logic, where managers reconcile the needs of stakeholders as both/and rather than either/or (Hargrave and Van de Ven, 2009), stimulates innovation and sustainable development through the management of contradiction.

Drawing on these bodies of literature, it seems, at least theoretically, that managers may select one of four potential strategies for handling the result of stakeholder consultation. These are:

1. An institutional view of managerial decision-making where the institutional context within which the airport manager is working defines what he/she sees as the possible range of outcomes.
2. The stakeholder theory view where decisions to include or exclude moderations to the draft master plan are based on the argument put forward by the definitive or salient stakeholder's logic with little or no attempt to resolve the issues raised by other stakeholders.
3. A position of equilibrium is sought, as described by the planning literature, where each of the stakeholders gives way on their ideal position to achieve a middle ground position.
4. Managers adopt a problem solving approach and attempt to reconcile stakeholders' conflicting needs by creating a problem solving culture, where developing sustainable solutions involves a degree of innovation.

Managing stakeholder conflict may well be critical to the performance of the UK's airports. Therefore, understanding the strategies managers use to finalise their master plans after stakeholder consultation, a field which is currently under-researched, requires empirical investigation. The following chapter details the methodology used to conduct this phase of the project.

5 EMPIRICAL RESEARCH METHODOLOGY

5.1 Introduction

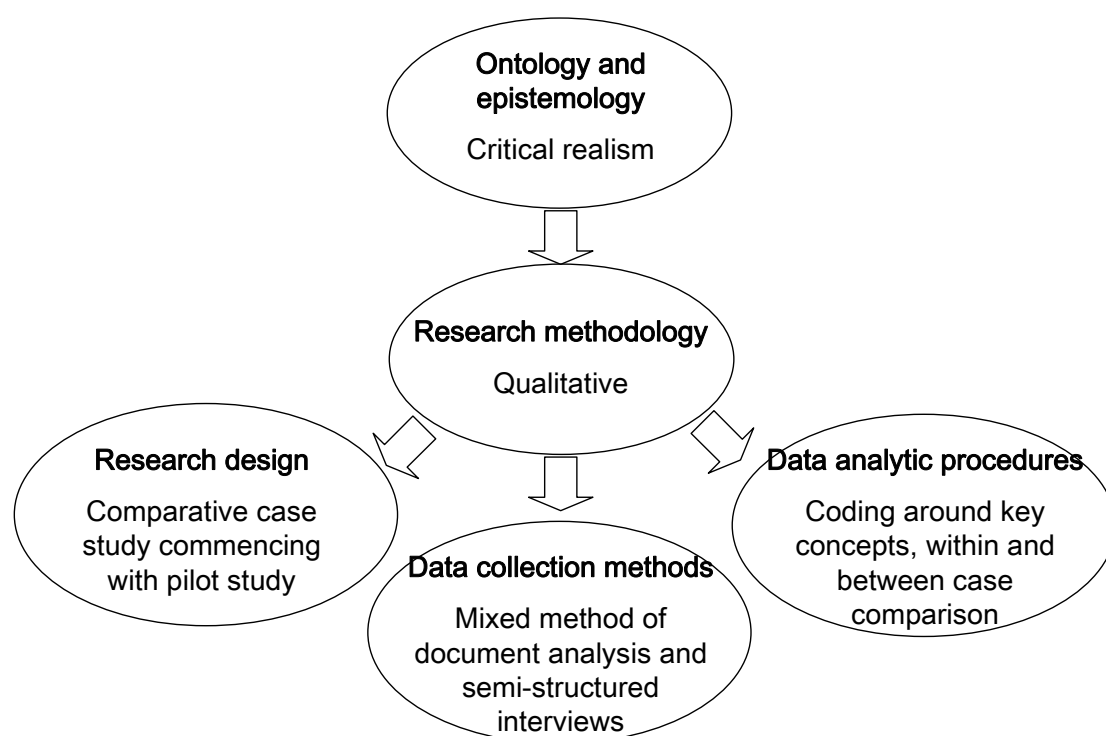
This chapter is concerned with linking the findings from the literature review and the gaps that were identified in existing knowledge to the empirical phase of research. The study aims to, “*capture the rich ambiguity of politics and planning*” (Flyvbjerg, 2006, p. 237) in the context of the UK airport sector by examining how, in practice, airport managers decide to incorporate stakeholder opinion into their master plan. The field of decision-making is notoriously difficult to study scientifically, not least because of problems delimiting the ‘moment’ of the decision. To overcome this problem, the empirical research phase of this study centres on the intentionality of managers at a specific point – between receiving stakeholder comments on the draft version and finalising the master plan.

In particular, this research aims to understand how actors and organisations respond to competing logics, an area a number of authors have highlighted for further study (Reay and Hinings, 2009; Lawrence and Suddaby, 2006). In so doing, it is hoped not only to explain what is happening now but also to assist in improving the process for the future. This research is very much situated in an era when private sector management of stakeholder consultation is in its relative infancy. The purpose is therefore not to predict how airport managers will react but to explain how they see their choices for strategic action.

The chapter begins by describing the theoretical and philosophical approach - critical realism - and its implications for the research design and delivery. Having established the philosophical basis, the chapter next considers the methodological aspects of this research. Bauer, Gaskell and Allum (2000) breakdown research methodology into three dimensions of research design, data collection methods, and data collection procedures as shown in Figure 7. It should also be noted that Bauer and his colleagues, following Habermas,

include a fourth dimension of research strategy, which they term “*knowledge interests*”, referring to what happens to research once complete. The authors define possibilities at this stage to be, “*control, consensus building and emancipation of the subjects of study*” (Bauer et al, 2000, p. 4). This fourth dimension is not discussed at this stage but will be re-visited in the concluding chapter.

Figure 7 Dimensions of the research



The structure of this chapter reflects the dimensions of the research process used for this study as shown in Figure 7. The first of these, research design, covers the choice of, “*sample survey, participant observation, case studies, experiments and quasi-experiments*” (Bauer et al, 2000, p. 4). Section 5.4 details the research design including justification for a comparative case study approach and the choice of participants. Sections 5.5 and 5.6 explain the way in which data was collected, giving an account of the design and delivery of the semi-structured interview schedules. These sections also describe how the theoretical perspective of the study was applied to the research questions and

define the choice of data collection methods together with the way in which the data collected was analysed and presented. The penultimate section summarises the quality criteria used to ensure the robustness of the study and the chapter concludes with a summary.

5.2 Defining a research approach

This section considers some of the issues that should be acknowledged and discussed even before the process described in Figure 7, can be established. These issues are personal to the researcher but require clarification in order to be transparent and self-reflective on the way in which the research strategy has been defined.

5.2.1 *Motivation*

Whilst governments continue to hold public planning enquiries, the 1986 Airports Act and the master plan process have outsourced the duty to consult with stakeholders to privately owned airports. There is little if any guidance available to airport managers in this matter, where stakeholders' expectations of an outcome in their favour may be raised. Personal and limited empirical evidence would, however, suggest that stakeholder management is a current key issue for airport managers. The motivation behind this research is to address the dearth of knowledge in this area and to provide academics and practitioners from public and private sectors with clear examples of how the consultation process currently works and potentially to inform a programme of change.

5.2.2 *View of social reality and of how knowledge may be gained*

According to Acton, there are only two possible views of reality. One, idealism, gives primacy to the mind, "*and matter is created by or dependent upon mind*" (Acton, 1967, p. 390), where the notion of 'truth', be it subjective, relative, objective, or absolute, seems to remain a notion, to be argued from the perspective of all those involved at a specific time and in a particular cultural context. The other, materialism, gives primacy to matter with the mind subordinate to and indeed dependent on the material world. This view is based upon the epistemological assumption that truth and reality are 'out there', can be investigated, and are not merely constructions of the mind (Somekh and

Lewin, 2005). Whilst materialism, particularly positivism and post-positivism, continue to dominate in social and management research (Gephart, 1999), the limitations of this paradigm include its inability to explain underlying or taken-for-granted assumptions and the effect of power structures on our socially constructed world.

The aviation sector has been dominated by a positivist approach through impact measurement, cost-benefit and value-for-money analyses where, “*the political need for numbers wins through*” (Easterby-Smith *et al*, 1996, p. 105). However, in order to address the social and political issues raised by this research question, to which positivist research does not lend itself, a different set of philosophical assumptions are required. A critical approach, which considers the influence of social experience and the power dynamic on the notion of truth, fits the spirit of the research question. In an airport research context, the implication of this approach is that uncovering the institutional context in which various airport managers have to operate will be vital.

The supposition prior to carrying out the empirical research was that context would differently affect the power dynamic at each airport and therefore the pressure on airport managers to behave in a particular way, principally with respect to their handling of stakeholder opinion. Coupling a critical approach with a realist epistemology provides a perspective that maintains the focus on seeking to establish the ‘realness’ or plausibility of theories whilst accepting the effect of social and historical conditioning. In the context of airport planning research, this means that theory arising from this study should have resonance with practitioners. From this perspective, gaining knowledge of the external world has to be mediated by human concepts and constructions (Ackroyd, 2004). The research question, which 1) employs institutional logics as a key concept to explain how arguments are built and 2) involves stakeholder theory to focus on the relative power of stakeholders, follows a realist epistemology by starting with an accepted phenomenon and asking what the world must be like for this to happen.

5.2.3 *The role of theory*

Our understanding of reality is dependent on theories that are however, “*provisional, reversible and corrigible*” (Mutch, 2009, p. 146). Despite the rather impermanent nature of theories, this research makes significant use of contemporary thinking from the study of organisations reported in the academic literature. Institutional theory describes how organisations react to societal expectations (Chung and Luo, 2008; Martinez and Dacin, 1999). Stakeholder theory provides a prediction of why and under what conditions managers preference one stakeholders’ opinion and therefore institutional logic, over another. The planning process literature suggests that, aside from preferencing one particular logic, managers may endeavour to achieve equilibrium between stakeholder opinions. The notion of stakeholder capitalism, at least theoretically, suggests that managers may attempt to provide innovative win-win solutions to problems where stakeholders are in contest over priorities and outcomes.

These theories have been combined to produce a range of strategies for how managers might react to opinions gathered through the stakeholder consultation process. At the core of the rationale for stakeholder consultation is that democracy should find, or perhaps more accurately re-find, its place in the capitalist economic model. Stakeholders, at government (bureaucratic) insistence, must be taken into account in the development of airport master plans. But are their views actually instrumental in changing draft master plans? Or, as in Aalborg (Flyvbjerg, 1998), is power mongering and undemocratic behind-the-scenes decision-making preventing true stakeholder collaboration?

5.3 Research philosophy

As the female black academic Gloria Ladson-Billings urges, it is important to select an epistemology that reflects “*who I am, what I believe, what experiences I have had*” (Ladson-Billings, 1995, p. 470). This researcher’s view concurs with that of Powell (1991), who suggests that economic activity is embedded in social relationships and that institutional structures shape this activity. In particular, power and its influence on these relationships affect the lives and experiences of individuals, groups and organisations and may also lead to establishing the taken-for-granted assumptions that affect institutions.

Whilst the literature review element of this study relied heavily on institutional theory, there have been problems incorporating agency into the deterministic view of institutional theory (Thornton and Ocasio, 2008). A number of authors (e.g. Archer, 2003; Delbridge and Edwards, 2013; Leca and Naccache, 2006) overcome this problem by using a critical realist perspective to simultaneously consider the influence of actors’ actions and the structures in which they are embedded without the problem of conflating these two effects. Combining institutional theory with a critical approach therefore has the potential for emancipation (Lawrence *et al*, 2009), where individuals are made aware of the institutionalised mechanisms that may have restrained or controlled them. Taking a critical realist perspective enables the institutional researcher to examine how actors might use the causal powers of existing structures to challenge existing institutions or create new ones.

5.3.1 *A critical realist ontology and epistemology*

Developed particularly by Professor Roy Bhaskar, critical realism is based on the epistemological assumption that ‘truth’ can be determined as separate and distinct from the processes of the mind (Somekh and Lewin, 2005). Although critical realism strongly opposes positivism on most other issues, in a similar although not identical manner, critical realism assumes there is a reality ‘out there’ that is independent from the researcher’s understanding of it (Sayer,

2004). This view contrasts other contemporary philosophical perspectives such as relativist, idealist and intense social constructivist perspectives (Sayer, 2004), where reality is assumed to exist only in the minds of human beings. Critical realism's core concept is that society is:

"a self-sustaining, complex, open entity, constituted by the activity of agents, structures, tendencies and mechanisms" (Kennedy and Kennedy, 2004, p. 333).

This project pursues the critical realist approach taken by Delbridge and Edwards (2013), Leca and Naccache (2006), and Mutch (2007) to expand the use of a critical realist ontology to consider how actors adapt to institutional complexity. Taking a critical realist approach has helped understand the mechanisms producing social events and the social structures that support them, vital if this study is to add to knowledge in the manner suggested by the research question and decision-making strategies described at the end of the literature review.

The schematic shown in Figure 8 indicates where critical realism is placed within the gamut of philosophical perspectives. The key dimensions identified in this figure are the distinctions between being and becoming, between spirit and matter, and between structure and agency. The first of these divisions, that of being or of becoming, are ontological issues first discussed in Ancient Greece and attributed to Parmenides and to Heraclitus, as shown. The ontological position of being, derived from logic, supposes the world is permanent and without change. Contrasting this position, Heraclitus described a world where everything is in a state of becoming. To illustrate this, Nietzsche translates him as having said:

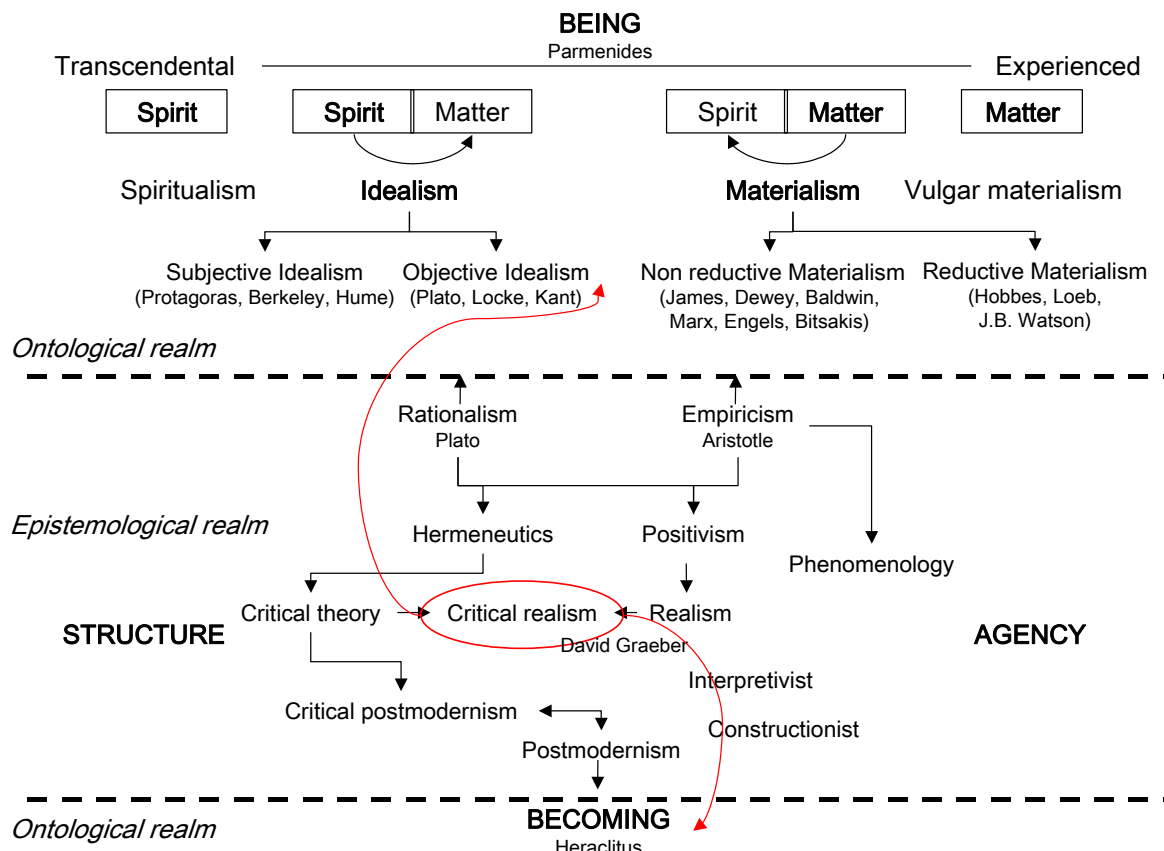
"You use names for things as though they rigidly, persistently endured; yet even the stream into which you step a second time is not the one you stepped into before." (Ansell-Pearson and Large, 2006, p. 107)

Critical realism manages to bridge these dichotomous views by maintaining:

“a clear concept of the continued independent reality of being – of the intransitive or ontological dimension – in the face of the reality of our knowledge – in the transitive or epistemological dimension.”
(Bhaskar, 1998a, p. x)

The aim of critical realist research is to identify new or deeper levels of reality (Bhaskar, 1978), first by imagining them theoretically and then by establishing that these mechanisms are real. This seems to equate well with the notion of Heraclitus’ flowing stream, where the critical realist’s concept of reality is, “a continuing and reiterated process of movement” (Bhaskar, 1998a, p. xi).

Figure 8 Map of philosophical perspectives



Source: Designed by the author

The second dimension, between matter ‘out there’ and spirit ‘in the mind of the individual’ (Sayer, 2004) presents a continuum of possible philosophical

perspectives. Critical realism takes a mid-point position, where it is acknowledged that the world exists independently of the researcher but that all knowledge is mediated by the researcher and their readers' personal context (education, social standing, culture, etc.). Indeed, as Easterby-Smith and his colleagues point out:

“Critical realism makes a conscious compromise between the extreme positions; it recognizes social conditions (such as class or wealth) as having real consequences whether or not they are observed and labelled by social scientists; but it also recognizes that concepts are human constructions.” (Easterby-Smith *et al*, 2008, p. 62)

The final dimension shown in the schematic is that of structure and agency, an example of an ongoing ontological debate in the social sciences. As described in the literature review in Chapter 2, on one side of this dichotomy is the structure or collectivist argument, where researchers seek to uncover the social or institutional conditions that have a profound effect on thoughts, feelings, and decision-making (Lawrence and Suddaby, 2006). On the other hand is the individualist view that individuals (in this example airport managers) are:

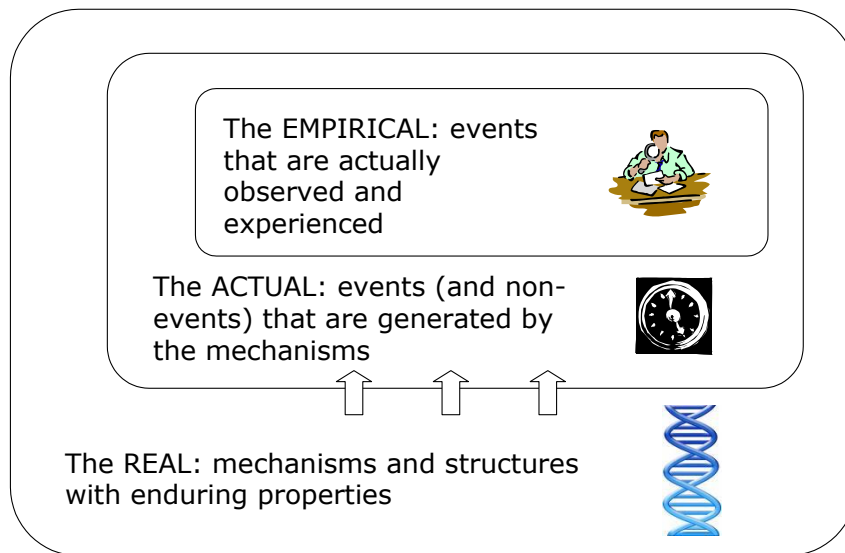
“maximizing entrepreneurs arriving at decisions through a sequential process that is both logical and linear” (Miller and Wilson, 2006, p. 469).

These agents act independently to make decisions based on the optimisation of some economic benefit (such as income generation, profit maximisation, increased size or status of their airport).

Critical realists argue that the world is not only differentiated, in that certain practices do make a difference (Sayer, 2004) but also stratified into three domains. As shown in Figure 9, these are the domain of the empirical, the things and events we can see, the domain of the actual, the things or events that happen whether or not they are witnessed, and the domain of the real, the underlying structures and mechanisms that produce things and events

(Bhaskar, 1978). To provide a complete and plausible explanation, the real or deep level of the ontological spectrum (the mechanisms connecting social and economic structures) and the actual (the powers and relations between particular entities) that underlie the empirical (the variation in perceived and actual events) must be exposed (Fleetwood, 2002). It is this exposure, particularly the links between the stratified domains of the real and actual, that provides the *raison d'être* of realism (Easton, 2000, p. 208) and the focus of this study.

Figure 9 Domains of reality

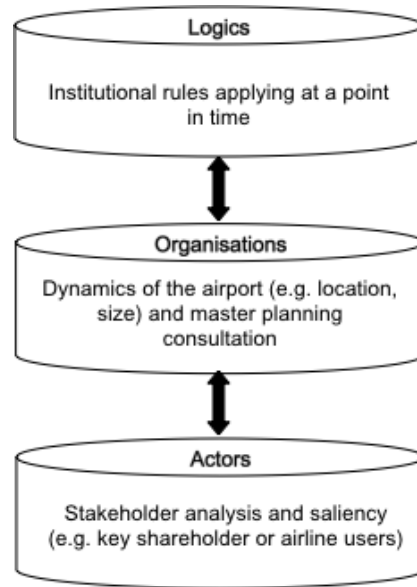


Source: Mingers, 2004, p. 94

5.3.2 Implications for research design and methods

Given the aims and objectives of this study and the critical realist approach to meeting them, the focus of the research is on exposing the causal mechanisms at work in this setting. Something is explained, Ackroyd (2004, p. 152) tells us, when causal mechanisms operating in particular contexts can be said to account for specific outcomes. Ackroyd therefore defines the object of research as the identification of these causal mechanisms, which “*link and articulate structures*” (Ackroyd, 2004, p. 154). The implication for research is therefore to design a means of capturing all elements of an airport’s institutional context.

Figure 10 Layers in an institutional context



Source: Designed by the author

The design suggested in Figure 10 does this by following Friedland and Alford's (1991) nested view of institutional logics, which considers actors, organisations, and logics. The two-way arrows between the layers indicate the ability of actors to influence and change their organisations and the logics that guide their actions. Research incorporating this scheme is designed to uncover variations in responses to institutional logics at different airports. Full details of the constituents of each of these layers are given in sub-section 5.5.1.

Critical realist research is generally a three-stage process of observing connections between phenomena, proposing structures/mechanisms that explain the relationship, and proving these structures are 'real' (Blaikie, 1993). Research relating to realism is iterative rather than linear, which lends itself to hypothesis or proposition testing. From a realist perspective, the aim of research is to discover mechanisms/structures and make them visible, or to construct hypothetical models of how these mechanisms work and then try to demonstrate their existence. This is made possible for the researcher because

of critical realism's stratified model of reality with its three domains of reality, as shown in Figure 9 and described as follows:

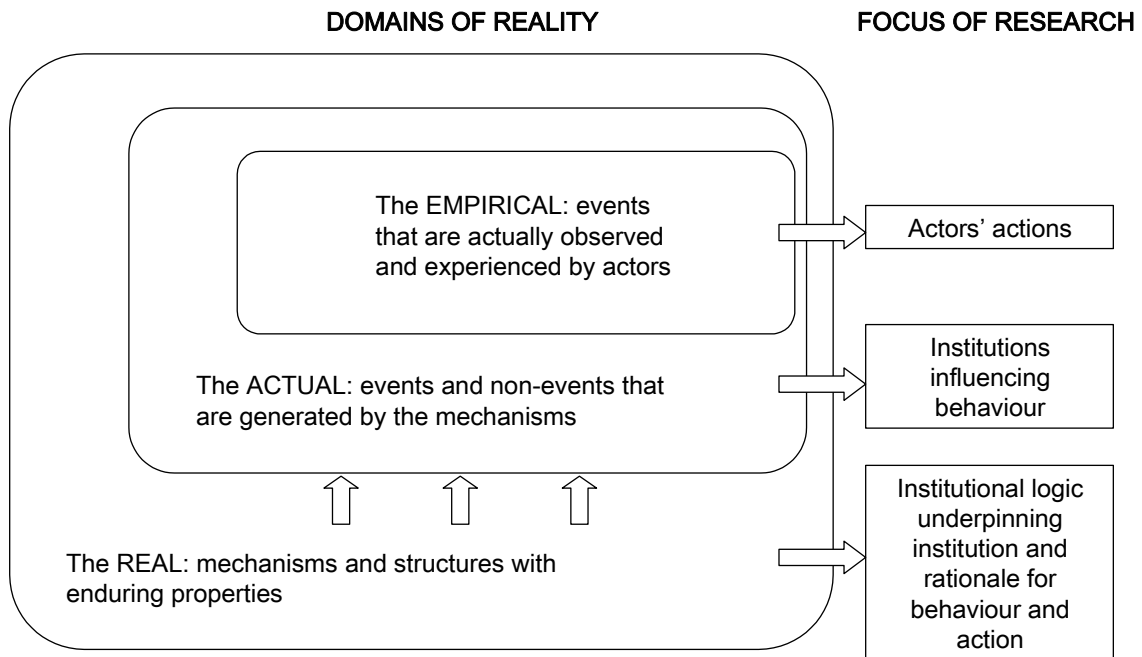
Domain of the empirical: The domain of the empirical is where, "*institutional analysis considers actors' actions and the actors' empirical experience and perceptions*" (Lecca and Naccache, 2006, pp. 631-632). These actions and perceptions can be exposed by discourse with actors who have experienced the events surrounding, in this case the finalisation of airport master plans, and are able to recall their impressions of what took place. In addition to interviewing airport managers responsible for master planning, this type of information may be elicited through analysis of documents such as airport master plans and the inclusion or exclusion of stakeholder input.

Domain of the actual: Due to their taken-for-granted nature, actors may not always be aware of the institutional forces acting upon them or of their effectiveness or legitimacy (Scott, 2001). Although it is possible to uncover some institutional forces in the domain of the empirical, institutions must also be examined in the domain of the actual. The researcher can access and identify them through the recurring behaviour of actors (Lecca and Naccache, 2006). Comparisons of draft and final master plans for each of the case study airports reveal the actual changes made. This information requires confirmation and triangulation, which occurred through discourse with airport managers.

Domain of the real: At the deep level, institutional logics have institutions embedded within them (Thornton, 2002). As described in Chapter 2, these logics are used to justify decisions and, "*While institutions are the rules of the game, institutional logics are the underlying principles of the game.*" (Lecca and Naccache, 2006, p. 632) These institutional logics, capitalism, bureaucracy, and democracy, correspond to the structures in the domain of the real (*ibid*, 2006). Analysis of the justifications provided for stakeholder opinion and those preferenced in the finalising of the master plans provide the link to the domain of the real.

The domains of reality described by critical realism and the focus they bring to this research are shown diagrammatically in Figure 11.

Figure 11 Linking critical realist domains of reality to focus of research



Source: Compiled by the author from Mingers, 2004 and Lecca and Naccache, 2006.

Causal mechanisms at the real or deep level (indicated in Figure 11 to be the institutional logics underpinning the rationale for the behaviour and action of airport managers), Ackroyd tells us, may be at least partially understood by the actors who work in the affected field and who can, albeit perhaps implicitly, describe them to the researcher. Because of this, the aim of empirical research can be either to collate and assess the reflective views of these actors or to identify *“patterns of relationships which constitute the building blocks of structure”* (Ackroyd, 2004, p. 154). Of course and as Ackroyd points out, the research aim may also be to utilise both types of data, *“to identify or exemplify the patterns of relationships in which groups of actors are implicated in particular ways”* (Ackroyd, 2004, p. 55). In this study, these types of data have been collected in a number of ways, allowing for verification of data.

The implication of this approach for the research methodology discussed here is that the study should be qualitative in nature. The choice of a qualitative rather than quantitative methodology is borne out by the particular attention that is paid to the critical realist notion of power, which Kennedy and Kennedy define as:

“the contradictory/complementary capacities located to the relations that make up a social object as well as those pertaining to structures relating to the object.” (Kennedy and Kennedy, 2004, p. 333)

By this they mean, to take an economic example, that whilst power emanates from the relationship between the owners of capital and those who supply labour, other sources of power from social structures such as competition between capitalists, from family, and the law overlap.

Power will be strengthened by complementary overlaps but weakened by those that are contradictory. Whether contradictory or complementary, these relationships that emerge from human activity cannot be destroyed although they can be, *“obscured, manipulated, denied, censored”* (Mutch, 2009, pp. 149-150). As Bhaskar says, the:

“sting is only removed from a system of thought when the particular conditions under which it makes sense are described” (Bhaskar, 1978, p. 8).

This study therefore considers, based on empirical observation, the behaviour of managers and the extent and nature of stakeholder influence in the domain of the actual and uncovers the generative mechanisms (Bhaskar, 1978) that generate these events.

5.4 Research design

Survey research methods involving multiple organisations have been criticised as being unable to explain the day-to-day realities faced by managers (Elger and Smith, 2005). Indeed, epistemologies that rely on this type of survey research have been condemned as inflexible, artificial and unable to accommodate institutional influences (Easterby-Smith *et al*, 2008). In the study of social phenomena, case-study research is one of the major alternatives to this method. It is particularly useful for its efficacy in incorporating social processes and contexts into theoretical accounts (Elger and Smith, 2005), making it ideally suited to this research question. Case research can be defined as:

“a research method that involves investigating one or a small number of social entities or situations about which data are collected using multiple sources of data and developing a holistic description through an iterative research process” (Easton, 2010, p. 119).

Flyvbjerg, in his 2006 paper *“Five Misunderstandings about Case-study Research”* identifies case study research as vital to the learning process and to the cumulative development of knowledge. Indeed Harrison goes so far as to say that:

“some of the major contributions to theory in the social sciences have been based on evidence from case studies” (Harrison, 2002, p. 158).

This research takes a practice approach, which:

“examines how actors interact with, construct, and draw upon the social and physical features of context in the everyday activities that constitute practice.” (Jarzabkowski *et al*, 2009, p. 288)

The study addresses the relationship between institutions and actions by considering the practice of decision-making by airport actors. Since numerous institutional pressures prevail on the airport sector (planning, economic, etc.), the practice approach is particularly useful:

“as it shows how actors go about producing pluralistic institutions within their work, and coping with the tensions between these institutions through their actions and interactions.” (Jarzabkowski et al, 2009, p. 289)

This type of approach confirmed the need for a qualitative research methodology and the following section provides justification for the use of comparative maximum variation case studies. Following this, the choice of case study airports is defined and justified.

5.4.1 Comparative case study research

Simply noticing a relationship between variables or events is incomplete without providing a mechanism-based causal explanation (Hedstrom and Swedberg, 1998). To this end, critical realism points to the importance of context in structure/agency theorising, as the causal powers we seek are contingent - that is, they may or may not be activated, rather than being given (Tsoukas, 1994). Since, *“mechanisms act differently depending on the context”* (Kowalczyk, 2004, p. 298) and social reality is context-dependent (Archer, 1995), uncovering how context and mechanism typically interact in addressing conflicting institutional logics in the development of airport master plans necessitated exploring variations in the context in which managers find themselves. For this research strategy, Ackroyd provides specific guidance to the realist researcher in the selection of an appropriate research method, as shown in Figure 12, which in this case indicates a comparative case study approach.

Multiple case studies allow comparisons between cases, particularly where the cases are chosen to vary across one or more key variables (Elger and Smith, 2005). Whilst case study research has been criticised as having a bias toward verification, the use of comparative maximum variation cases contains no greater tendency towards researcher bias than any other method and may in practice tend towards the falsification of preconceived ideas (Flyvbjerg, 2006). Maximum variation sampling involves selecting the widest possible variation in

the dimensions of interest, which in this case is the way in which airports are owned (see sub-section 5.4.2 for further details).

Figure 12 Seven research designs relevant to realist-informed research

Classification by		intensive			extensive
Harré, Sayer and Danermark:					
Distinctive research strategy:	What is the mechanism? (context as given)	How do context and mechanism (a) typically interact? (b) historically intersect?			What is the context? (mechanism inferred)
Research procedures:	Case studies (1)	Comparative case studies (2)		Generative institutional analysis (3)	Research surveys and census data (4)
Passive study					
Active intervention	Action research (5)	Comparative policy evaluation (6)		General policy evaluation and critique (7)	

Source: Ackroyd, 2009, p. 534

Flyvbjerg (2006) recommends that case studies, rather than being summarised or ‘closed’, are kept open by allowing conflicting reports to unfold. Following this advice, iterative analysis of the cases in this study, individually and collectively, has permitted the emergence of stories that indicate the conflict between the institutional forces acting on airport managers. As Elger and Smith (2005) found, a comparative case study approach allows for the exploration of the social processes or indeed the ‘generative’ or ‘causal’ mechanisms (Bhaskar, 1978; Sayer, 2004) that underlie the observable actions. It is a key part of this research strategy to engage critically with existing theory and remain open to the possibility of producing superior theoretical interpretations from the comparative case studies. The research provides a narrative of stakeholder consultation post-privatisation in the context of a number of the UK’s airports.

5.4.2 Defining the population

Where the review of the literature indicated something of the generative mechanisms at work when airport managers take account of their stakeholders' views, the empirical challenge is to extend and test this knowledge by studying the variations in the context in which this takes place (Ackroyd, 2009). As Flyvbjerg points out:

“the strategic choice of case may greatly add to the generalizability of a case study” (Flyvbjerg, 2006, p. 226).

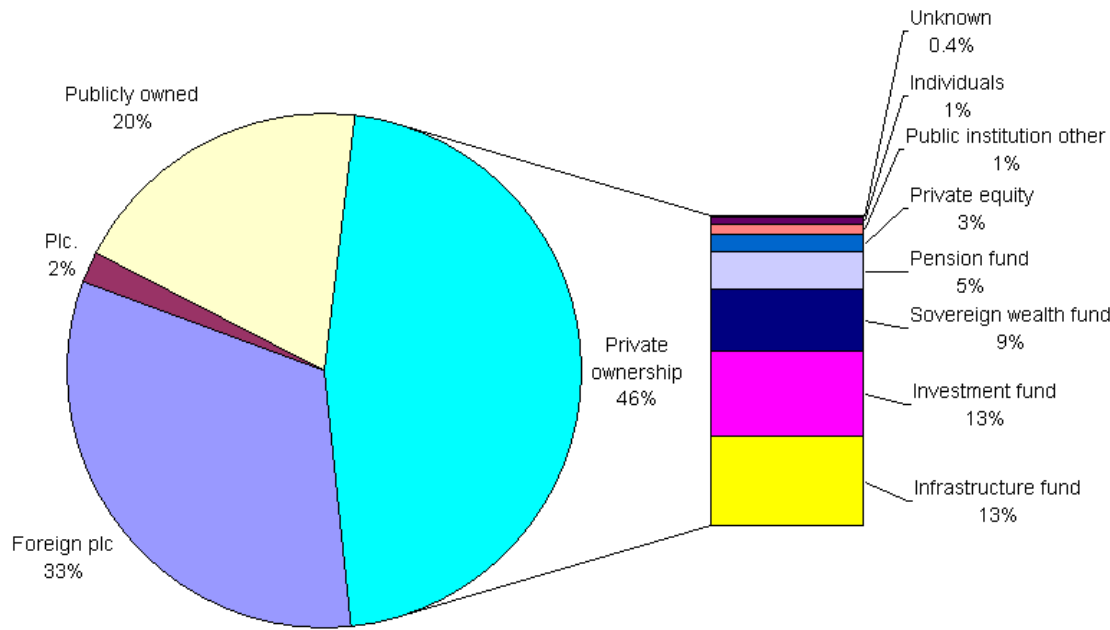
The literature review suggested ownership as a key variable in this study of post-privatisation airports in the UK. As such, variations in the way in which case airports are owned were used to select the comparative cases involved. This selection is in line with Elger and Smith's 2005 study of Japanese manufacturing firms operating in the English Midlands and the findings from research into the marketing orientation of airports (Halpern, 2006), where independently owned airports varied significantly from those that were regionally or nationally owned. The Berle and Means hypotheses (1932), which points to the separation between ownership and the control or management of modern organisations, indicates an investigation where case studies vary around the nature of that separation. For the UK's privatised airport sector, three categories of ownership, and therefore variances in the competing interests of opposing groups (in terms of the Berle and Means hypotheses), prevailed by 1997. These were:

1. Fully owned by a private company;
2. Commercialised limited company with shares part held by the local authority and part by a private company; and
3. Commercialised limited company with the local authority retaining ownership of all shares (Humphreys, 1999, p. 126).

Given the current pervasive nature of power and saliency conferred on ownership (or more properly on shareholding), it would seem the variable most

likely to differentiate how conflicting institutional logics are addressed in the development of the master plans for airports. Fully privatised companies are required to make a return on the investments of their shareholders and may therefore tend to bias a capitalist logic. Organisations run by the public sector exist to provide a service to the wider public, albeit within financial constraints, and may therefore tend to bias a bureaucratic logic. It seems justifiable to propose, therefore, that airports at each extreme of public or private ownership will display different biases towards stakeholders' institutional logics. Joint ventures between public and private sector companies create organisations that may fall somewhere between these two positions. Figure 13 shows the shareholding of UK airports in 2010.

Figure 13 Shareholding of UK airports



Source: Office of Fair Trading, 2010

Table 5.1 describes the ownership of the four airports selected to provide maximum variation cases. Using information-oriented rather than random selection allows for the selection of maximum variation cases (Flyvbjerg, 2006). This means that theoretically significant information drawn from the range of

ways of structuring ownership of an airport can be investigated to illuminate the characteristics of generative mechanisms at work. However, it is important not to over-simplify this categorisation and risk generating false theories where reality is more complex than the 'lumped' together categories that have been used to produce them (Mintzberg *et al*, 1998).

Table 5.1 Airports included in the empirical study

Airport	IATA code	Current ownership	Previous ownership
Manchester	MAN	Council owned and run	Municipally owned and controlled since inception
Birmingham	BHX	Public/private partnership (49% local councils, 48.25% private investors, 2.75% employee share trust)	Municipally owned until 1997 when 40% was sold to private investors. A further 8.25% sold in 2000.
Stansted	STN	Privately owned by BAA Ltd at the time of study. Recently sold to MAG on the instruction of the Competition Commission	Nationalised until 1986, de-nationalised and owned by multiple shareholders until 2006 when Ferrovial became the majority shareholder.
London City	LCY	GIP (Global Infrastructure Partners), current owners of London Gatwick Airport	Privately owned since construction by Mowlem

5.5 Secondary data collection and analysis

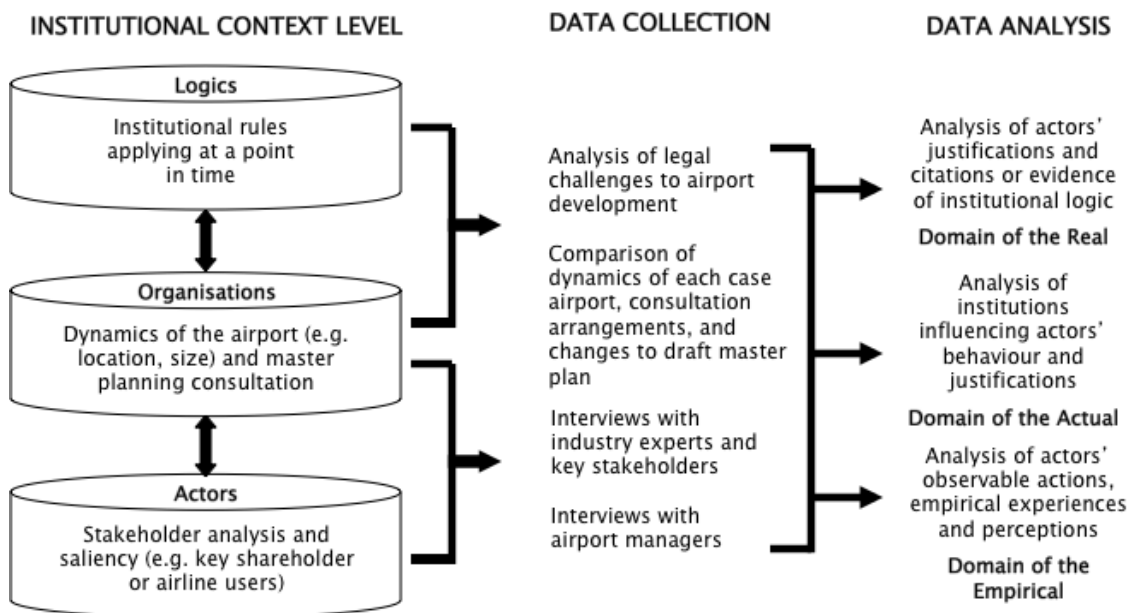
This section describes the collection and analysis of desk-based secondary research. Secondary research involves the collation and examination of existing information, which in this case included:

Company information	Airport master plans, draft and final Company website
Information from regulatory, legal and support bodies	Archive documents from airport consultative committees CAA documents (particularly relating to the breakup of BAA and sale of Stansted Airport) Court legal proceedings White Papers Local authority information (web-based)
General information	Newspapers Trade papers and magazines Linked in (business oriented social networking site) Airport related websites
Specialist information	Royal Aeronautical Society resources Academic papers (referenced)

A key objective of the study was to collect data through different methods and from different sources in order to obtain methodological triangulation (Denzin, 1978). The benefits of triangulation are two-fold: Firstly, it strengthens the validity of the data collected as this is 'checked' by the use of more than one method, and secondly, the researcher's understanding of the subject under study is enriched, "*allowing for new or deeper dimensions to emerge*" (Micheli, 2007, p. 62). The empirical research phase of the study is therefore a multi-method process as shown in Figure 14, mapped against both the institutional

context level (as shown in Figure 10) and the critical realist domains (Figure 11). The following sub-sections first define the elements of interest within the institutional context levels (organisations, actors, and logics) before providing details of each of the five stages that constitute the data collection phase.

Figure 14 Data collection overview



Source: Designed by the author

The final stage in preparing for an empirical research study, establishing the data analysis procedures, directs accurate reporting of the comparative case studies, conversion of data into information and knowledge, and allows for the exploration of the relationship between variables.

5.5.1 Institutional context analysis

The first phase of data collection involves Identification of the elements of the institutional context of each comparative case study airport. The research seeks to uncover the relationships between the environmental context and the entities under study, thereby satisfying the aims of the critical realist perspective adopted. The elements of the institutional context have been classified under the headings of actors, organisations, and logics as shown in Figure 14. These

distinctions follow those used by Delbridge and Edwards (2013) and Friedland and Alford (1991) and allow for a multi-level means of analysing human agency without relegating agency as subordinate to structure (Leca and Naccache, 2006; Seo and Creed, 2002). The distinctions between these levels of analysis are important, particularly between actors and logics, as:

“Separating the analysis of the underlying rules from the strategy of the players is a necessary prerequisite to building a theory of institutions.” (North, 1990, p. 5)

5.5.1.1 Actors

A clear distinction has been made between the actors in the ‘game’ and the institutional logics that define the game they play (North, 1990). A list of the universal types of airport stakeholders was included in Chapter 3, Table 3.2, which this research does not attempt to add to nor verify. Leadership and constituency are key areas of interest, particularly what respondents think of as the ideal airport and ultimate consultation process (Drori *et al*, 2006). Examination of the actors in this research, expressed in terms of Meyer’s sociological institutionalism, seeks to address, *“what the imagined actors in the system should be like and what they should do”* (Meyer, 2009, p. 44). According to Meyer (2009) the aim is to identify the cultural worlds within which actors act and indeed key questions, which were not asked directly of respondents but extracted through probing around the semi-structured questions during the interview process, were:

- Has this script been absorbed or adopted through coercive, normative or mimetic processes?
- Who are the agents that tell actors how to be and what to do?
- Has this varied with the divergence of ownership and/or institutional influences?

5.5.1.2 Organisations

The use of the term 'organisations' refers to the dynamics of the airport, not simply its physical aspects. Considerations include the history of the sector, strategic and organisational models, and non-economic historical, social, cultural, and political aspects of the environments of the airports in the study. Key questions answered in this section, largely through the desk-based research and which take account of the framework of structural variables pertaining to organisations in a particular field defined by Edwards and his colleagues (2006), are⁸:

- What are the features inherent to the operation of each case airport (size, established or new, does the location provide potential for growth)?
- What is the function of the airport (property, transport, investment, etc)? To some extent, the background of past and present Managing Directors and/or Chief Executives provide an insight into the view the Board has of the function of each airport. Therefore the next questions are:
- What is the profession or vocation of the airport managers (including the MD/CEO)?
- Where did these managers earn their degree and/or from what background have they gained their experience?

5.5.1.3 Logics

Institutional logics are the rules of a game played out in a societal context or, "*the humanly devised constraints that shape human interaction*" (North, 1990, p. 3). These constraints on economic interactions include these devices (Aoki, 1996, p. 3):

- Markets and money
- Legal and political rulings by the state
- Contracts and organisations

⁸ With grateful thanks to Professor Gili Drori for guiding the questions under the headings organisation, actors, and logics.

- Cultural beliefs and social norms

As Thornton and Ocasio found, the design of empirical research of this type has to assume:

“that institutional logics cannot be directly measured through any one variable or set of variables” (Thornton and Ocasio, 1999, p. 807).

What is important in assessing the decision of whether or not to incorporate stakeholders' opinion into the master plan process is, “*the creation, evolution, and consequences of the rules*” (North, 1990, p. 5), which focuses attention on the historical development of the conventions applying to the airport sector (see appendix 3). Key questions answered in this section, which were elicited indirectly during the semi-structured interviews and later during cross case analysis, were:

- What is the logic of being an airport from the perspective of the managers?
- Are there differences between airports?
- What are the perceived norms in the industry for taking account of stakeholder contribution to master planning?
- Does the procedure for consultation vary because of the way senior executives think of the airport (transport hub, property investment, retail centre, etc.)?

5.5.2 Consultation arrangements

Whilst eliciting data such as when the draft master plan was published, how long the consultation period was, who was consulted and how, and how many responses were received, is relatively straightforward, it is more difficult to uncover what Lukes (1974) calls the three dimensions of power. These are:

One-dimensional view: One group's expressed views come into opposition with those expressed by another group. This is the most straightforward example of power plays and can be seen when, for example, an airport wants to

extend its runway and is opposed by the expressed position of other power-holders, such as central government or the local council.

Two-dimensional view: Power is exerted to prevent open decision-making or encourage non-decision-making, and mechanisms are invoked to keep decisions from being discussed. For example, the airport company might focus on the number of jobs that will be created by the extension of the runway.

Three-dimensional view: The ability of those with power to act against the powerless, particularly for decision-making in a political arena. In an airport context, it may be that stakeholder groups may not realise they have an interest in opposing the extension to the runway, perhaps because they do not understand the potential risks or because individuals have no means of grouping together to coordinate their protest. It may also be that certain issues do not become verbalised arguments because the political agenda surrounding airport development has been constrained by those with the power to do so.

Research in this section took account of this three dimensional view. Therefore, the observable behaviour and arguments specifically expressed by stakeholders could not be the only data collected at this phase. Other data collected, and relating to the two-dimensional view, were the airport's attempts to suppress opposition and prevent issues escalating into observable conflicts through their assertions of positive impacts (such as jobs created). Additionally, at the third-dimensional view, the non-inclusion (rather than exclusion) of potentially affected groups of stakeholders, particularly those labelled non-salient outsiders (Dunbar and Ahlstrom, 1995) or fringe stakeholders (Hart and Sharma, 2004) were investigated. Data collection also included the institutional constraining of particular arguments in line with the third dimensional view. For example and as mentioned in Chapter 3, is the issue of meeting rather than managing the demand for air travel.

5.5.3 *Comparison of airport dynamics*

This stage of the empirical research compared the dynamics of each case study airport, using desk-based research from company documents and a wide range

of publicly available information (full details of these information sources is shown in section 5.5 on page 112). Analysis considered differences and similarities in data from each case airport, including:

- Structural information such as the number of runways, terminal buildings, overall size of airport, location, and potential for expansion
- Current and previous ownership
- Type of company and description of shareholders
- CEO/MD's qualifications and prior experience (to provide an insight into the way the Board prioritise the various purposes of case airports)
- Number of passengers handled and forecast to 2030
- Airline mix, including domestic/international, passenger/freight, passenger type (leisure, business), dominant airlines, and main destinations
- Key historical events (particularly since 1986 - the period to 1986 is covered in Chapter 3 and appendix 3)
- Local politics

5.5.4 *Master plan comparison*

Given that the research question considers how stakeholders' opinions on draft master plans are taken into consideration, this phase of empirical research compared draft and final master plans. It should be noted that the term 'document comparison' used here is distinct from 'document analysis', which sets out to extract meaning from documents (Gardin, 1973). The intention was to identify the changes that were made between draft and final master plans. 'Draft' here is defined as the master plan circulated to stakeholders for their comments. 'Final' refers to the plan that came into use as the airport's master plan and which incorporated the changes that were made following consultation. It is noted that:

"The lack of innocence in organizational information is potentially important. For example, most standard procedures for statistical estimation implicitly assume innocent data" (March, 1988, p. 6).

The investigation was both desk-based and formed part of the interview research stage. The intention at the planning stage of the empirical research was to document the change made, attribute each to a stakeholder, and provide analysis of the underpinning logic prompting the input. However, changes due to stakeholder input at each case airport were minor and of a textural nature only. Adjustments were made to the wording used in the final document rather than to key issues put forward in the draft master plans. As such, no in depth analysis could be undertaken and this finding is therefore reported as of interest in its own right only.

5.5.5 *Legal adjudication*

Whilst the focus of research is on how airport managers handle stakeholder opinion, there are many examples where legal challenges have been made to managers' decisions. In addition to participation in a consultation process, a legal dispute is a means by which stakeholders can voice their opinions. If the constraints imposed by prevailing institutional arrangements are not self-enforceable amongst players, they may need to be enforced by a third party such as a court or regulatory body (Aoki, 1996). An investigation of the arguments put forward during these legal conflicts therefore gave a sense of the institutional logics used and of the stakeholders who employed them.

Data collection in this phase firstly established relevant incidents for the case study airports where stakeholders have resorted to legal adjudication. These were:

Manchester: The 1994 to 1997 Manchester Airport Second Runway Inquiry.

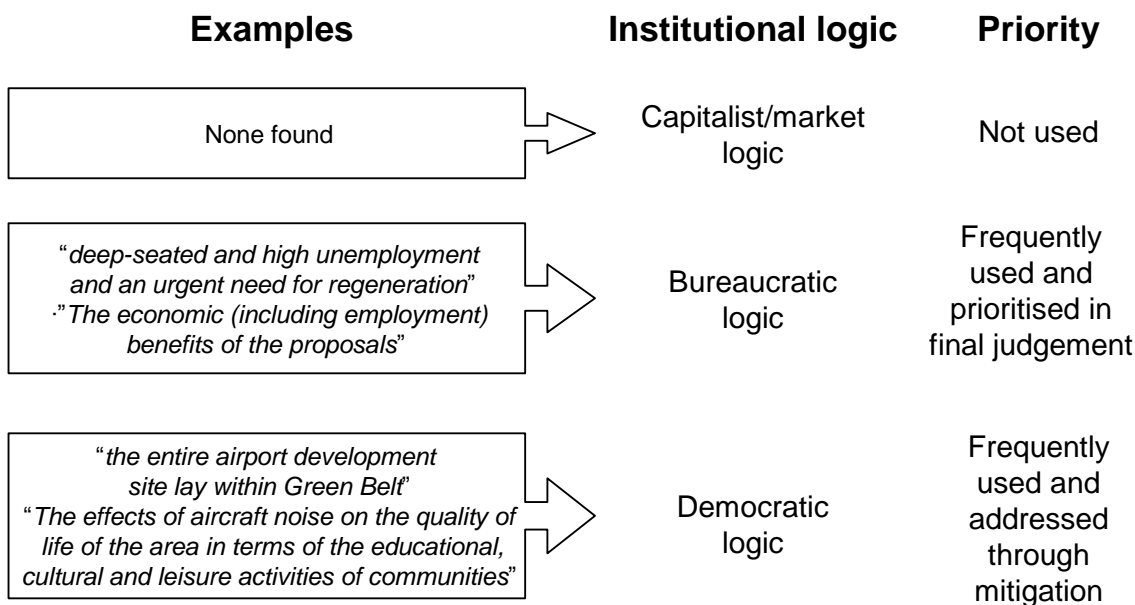
Birmingham: No comparable legal challenge identified.

Stansted: The 2009 legal challenge to quash the Government's overturning of Uttlesford District Council's decision to refuse permission for BAA to expand to 35 million passengers per year.

London City: The 2011 attempt to overturn the planning application to increase the number of flights from 70-80,000 to 120,000.

These cases were then examined to identify the arguments and underpinning logics used by the parties involved. To do this, the arguments described in each summary judgement were coded using Nvivo. The coding structure is shown in Figure 15. Analysis then identified how the final judgement prioritised these arguments and their foundational institutional logics.

Figure 15 Legal cases coding structure



5.6 Interview data collection and analysis procedures

Whilst a component of the research involved document analysis and comparison, a key element necessitated discussion with the subjects of this study, airport managers. As Green *et al* point out:

“Scholars have theorized that interviews are an excellent tool for acquiring knowledge of what people believe or think and how their thoughts shape their behaviour” (Green *et al*, 2008, p. 46).

Face-to-face discussions with relevant airport managers and key stakeholders were therefore carried out. In addition to triangulating the findings from the document analysis phase, the interview research phase aimed to fulfil the objectives described in Chapter 1, which were to:

- Understand the aims and difficulties (the ‘pros and cons’) of the consultation process from the viewpoint of airport managers and stakeholders;
- Uncover the various strategies airport managers employ to deal with the results of stakeholder consultation and check whether these actors see the four options described in the findings from the literature review (or any others) as viable strategic possibilities;
- Show the awareness, skill, and reflexivity of managers in the decision-making process;
- Provide a narrative of how individual and collective actors understand their institutional context;
- Define the boundaries of possible action within the institutional context.

Prior to commencing interviews with airport managers, a pilot face-to-face interview was conducted with Sally Windsor, External Affairs Manager at Bournemouth Airport on 4th January 2012. The draft interview schedule was largely confirmed as effective. Changes were made to the order in which questions were asked and to the detail of the aims of the interview given at the

outset. The interviewee talked about how their list of stakeholders was compiled so this was appended as a question in the final interview schedule. The pilot interview took 50 minutes to complete, which enabled an estimate of the time commitment required from interviewees to be established. However, all except one subsequent interview took rather longer than this guide. This was perhaps due to the interviewer's increasing confidence with the interview process and to the superior direct experience of later interviewees.

During the pilot interview, it became clear that asking for a description of the 'rules of the game' of the master plan process was not intelligible to interviewees. The question required substantial clarification and was therefore changed in the final version to, 'Is there a widely accepted or even taken-for-granted way of handling stakeholder consultation in the master plan process?' Many themes recurred between the pilot and the final interviews, particularly airport managers' institutionalised acceptance of stakeholder consultation and their lack of direct criticism of the process. No contradictory themes arose between the pilot and the subsequent interviews.

Interviews then took place with two managers from each of the four case airports. Each of the managers had been involved in the decision-making process following their stakeholder consultation. Interview protocols, shown in appendix 5, were prepared prior to conducting the semi-structured interviews. A semi-structured approach, whilst providing some consistency in the data collected, allowed for flexibility to pursue areas of particular interest to the interviewee where this was relevant to the research subject. Face-to-face interviews were conducted with airport manager interviewees as shown in Table 5.2.

Table 5.2 Face-to-face airport interviewees

Name	Airport	Job title	Date	Length
Jon Bottomley	Manchester	Group Planning Manager	12 th April 2012	1 hour 40 minutes
Andrew Murray	Manchester	Group Principal Planner	12 th April 2012	59 minutes
John Morris	Birmingham	Head of Government and Industry Affairs	16 th February 2012	1 hour 5 minutes
Kirstin Kane	Birmingham	Environmental Manager	16 th February 2012	32 minutes
Alastair McDermid	Stansted	ex Environmental Manager	10 th February 2012	2 hours 13 minutes
Nick Barton	Stansted	Managing Director	22 nd February 2012	1 hour 15 minutes
Charles Buchanan	London City	ex Business Development Director (now CEO at Kent International Airport)	12 th June 2012	1 hour 27 minutes
Richard Gooding OBE	London City	ex Chief Executive Officer (also present for part of the interview was Elizabeth Hegarty, Corporate Responsibility Manager)	14 th June 2012	1 hour 31 minutes

In addition, key stakeholders such as airline representatives were interviewed to gather views from those outside the airport who were involved in the master plan process. The semi-structured interview schedule used is shown in appendix 5, which also includes a rationale for each section of the schedule.

However, it became evident during the process that stakeholders were unable to provide information about airport managers' decision-making processes. The focus of this phase of the empirical study therefore turned to industry experts. Interview with these experts was unstructured, commencing with an explanation of the research question and purpose of the study. Interviewees were then encouraged to discuss their knowledge and experiences in this field with the interviewer probing where necessary to elicit as much pertinent detail as possible.

Face-to-face interviews were conducted with:

Councillor Paul Tilsey MBE on 23rd April 2012

Councillor Tilsey was Deputy Leader of Birmingham City Council between 2005 and 2012 and is a former Lord Mayor of Birmingham. He has been a non-executive Director of Birmingham Airport since 2008 and was Chairman of the Birmingham Strategic Partnership from 2005 until May 2012. He is a City Councillor and Leader of the Liberal Democrat Group.

Chris Cain BA (Oxon), MPhil, MRTPI, MATRS on 12th December 2012

Chris was Regional Airports Manager for the Department for Transport (DfT) between 1997 and 2006. During that time he advised the Government on airport master planning and was responsible for detailing the stakeholder consultation process. From 2006 to 2010, Chris was Project Director for Newquay Airport in Cornwall. He is now an aviation consultant.

Telephone interviews were conducted with:

Professor David Parker BSc (Econ) MSc PhD on the 31st October 2011

David is Emeritus Professor of Cranfield University. He is a Member of the UK Government's Regulatory Policy Committee and was a

Member of the UK Competition Commission between 1999 and 2007. He has advised government and business on privatisation, regulation and competition issues in many parts of the world. He is Fellow of the Royal Society of Arts and of the British Academy of Management. David was appointed the UK Government's Official Historian of Privatisation in September 2004. Volume One of the Official History was published in February 2009 and Volume Two in March 2012.

Tony Baker on the 2nd November 2011

Tony was responsible for Airports Policy at the Ministry of Transport from 1983 to 1987. He was Director of International Aviation Negotiations between 1994 and 2004 and on the steering committee for the Airport White Paper in 2003. In his earlier career, Tony had been Private Secretary to the Junior Minister responsible for the Maplin Airport Project between 1972 and 1973.

Mike Toms BA (Hons) MA on the 7th November 2011

Mike was Group Director of Planning and Regulatory Affairs with BAA Airports Limited from 2000 until 2006. Mike was responsible for Environment, Planning and Relations with BAA's regulators. Formerly Corporate Strategy Director, he was responsible for corporate strategy development, economic regulation issues, and airport strategy. He had previously served as BAA's Head of Airport Economics, responsible for the setting of airport charges. In 1991/1992, he was seconded to ACI, the International Trade Association for Airports, as Chief Economist. He is an occasional lecturer at the Universities of Westminster, Cranfield and Loughborough, and the author of numerous articles on airport planning, economics and privatisation.

Keith Bannerman on 14th November 2011

Keith is the founder and Director General of Airfields of Britain Conservation Trust, and airfield author and researcher. He has extensive knowledge of the history of British airfields.

Email communication included the following (dates shown are commencement dates):

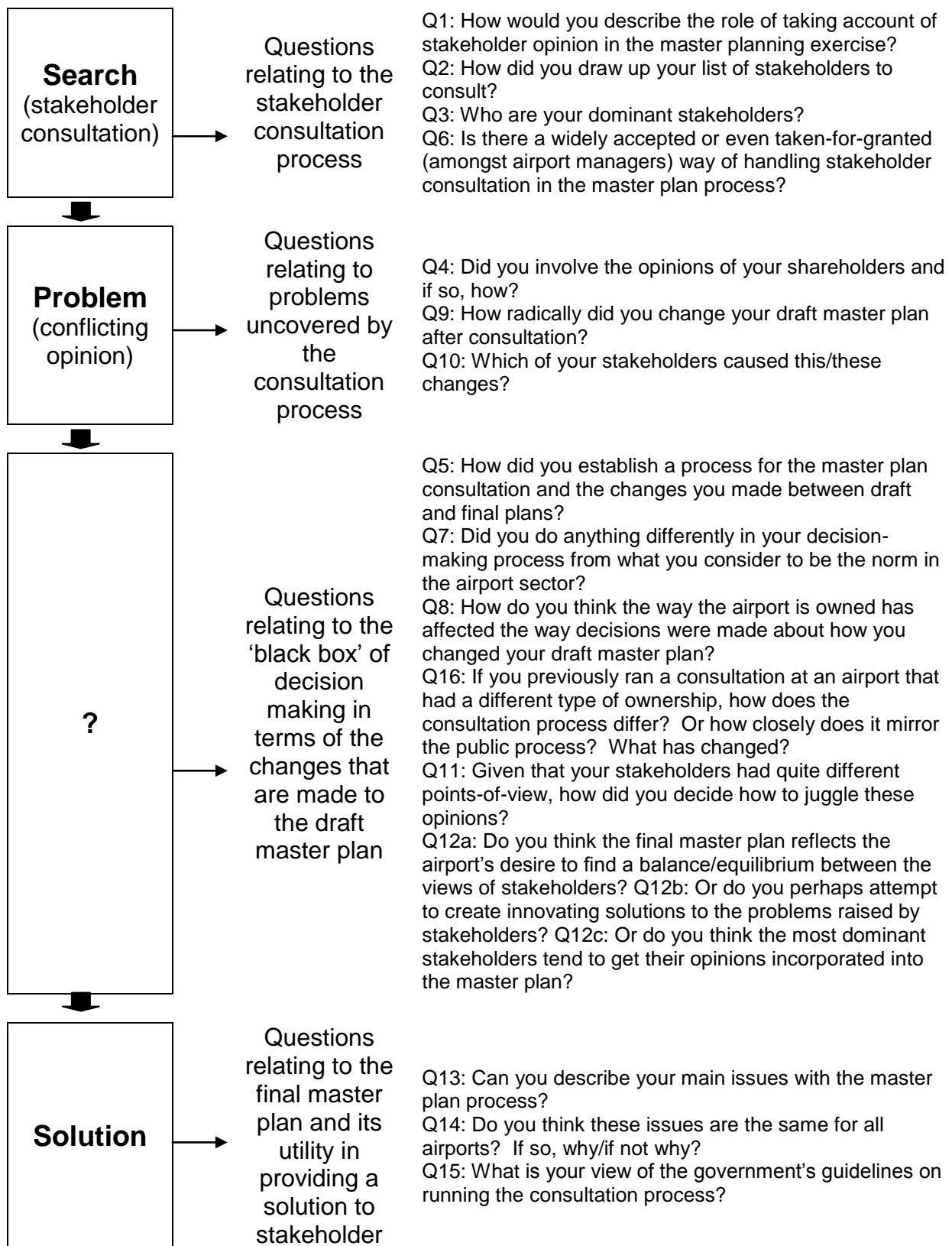
- Andrew Strong, Managing Director Flybe UK on 3rd August 2012. Andrew joined Flybe in 1995, was promoted to Director of Flybe Aviation Services in 2003, and was appointed as Chief Operating Officer in 2005. Response given to emailed questions regarding stakeholder opinion of the consultation process and subsequent changes to master plan.
- Phil Kemp MBA, Vice Chairman of Air-Britain on 14th November 2011. Phil is currently Project Specialist within the Major Projects Authority of the Cabinet Office. Information provided related to the history of airports in the UK and is not a stakeholder response.

In addition, I attended the CAA's Hearing Into Groundhandling Appeal between Ryanair Ltd. and London Gatwick Airport Ltd. on the 8th April 2011 at the CAA's headquarters in London.

5.6.1 *Airport manager interview schedule questions*

This phase of the research picks up on the review of the literature around problem solving inspired by the work of Langley *et al* (1995), March (1988), March *et al* (1958), Mintzberg *et al* (1976) and Simon (1960) as shown in Figure 5 on page 74 in Chapter 4. Part of the figure is reproduced here at Figure 16 on page 127 to act as a guide to demarcate the interview schedule questions. In the case of the schedule for airport managers, which is shown in appendix 5, questions about the background of the interviewee are a precursor to the three categories shown in Figure 16.

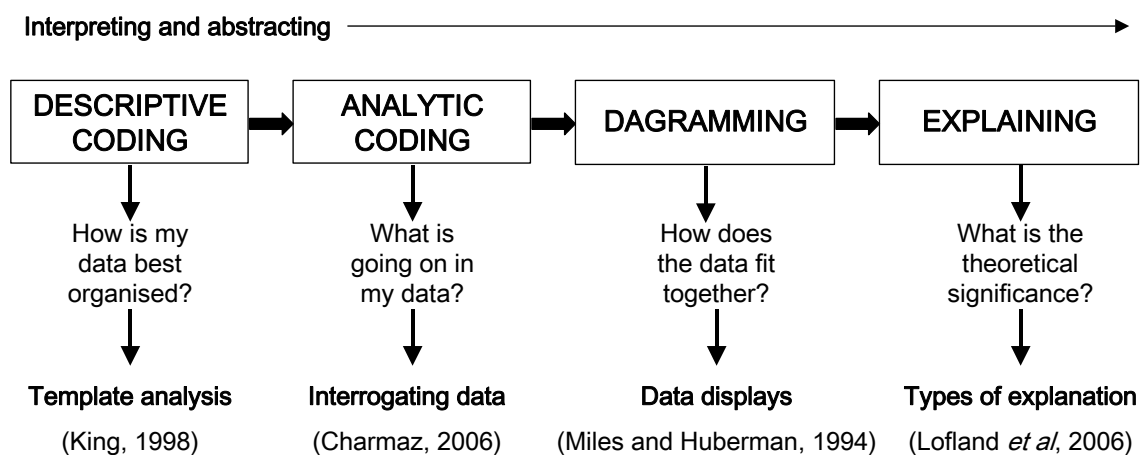
Figure 16 Categories of interview questions



5.6.2 Coding

“Coding is the transitional process between data collection and more extensive data analysis” (Saldaña, 2009, p. 4). As with qualitative studies generally, iterative processes of analysis moved the data gradually from the amorphous corpus it started out as, through various stages of becoming increasingly interpreted and abstracted. Figure 17 plots the stages of qualitative data analysis from the initial stage of descriptive coding, through analytic coding, diagramming, and finally to explaining. The figure describes the research problem at each stage and details the approach taken in this study.

Figure 17 Qualitative data analysis



Source: Based on Zintel Florio, 2012

The first step, descriptive coding, involved looking for themes in the data and applying meaningful labels to these groups of data. Template analysis (King, 1998) was used and commenced with coding the data around the two themes identified *a priori*. These were the three institutional logics of capitalism, bureaucracy and democracy, and the four decision-making strategies identified from the literature. The data were then coded by marking segments that raised other themes relevant to the research question. These were organised into an initial coding template using Nvivo, as shown in appendix 6. The data were also compared and contrasted by each of the interview questions to airport

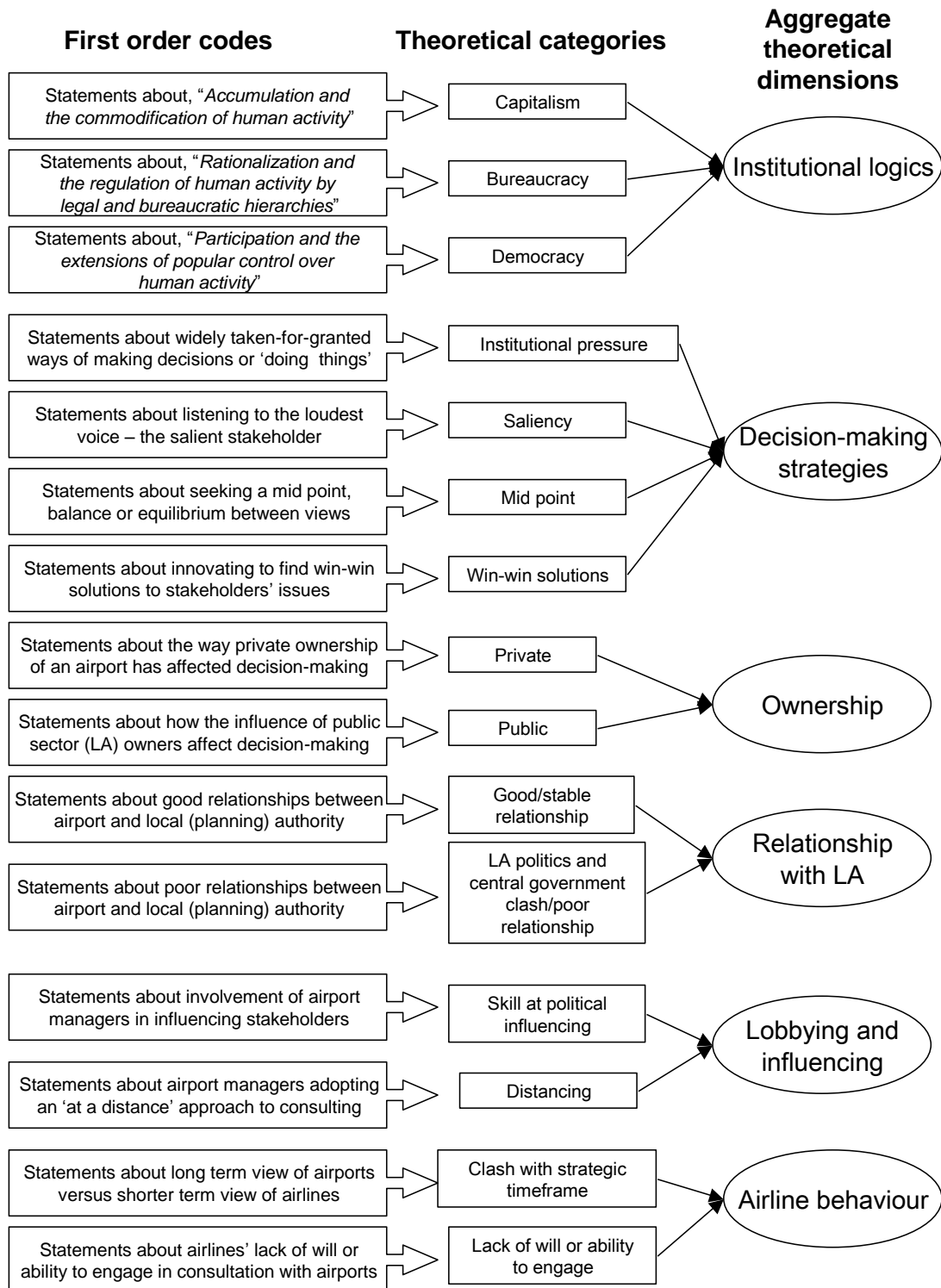
managers, as shown in appendix 7. The resultant data structure, which was guided by Creed, DeJordy and Lok, Ladge *et al*, and Pratt *et al*, is shown in Figure 18.

Statements from the empirical research are shown as first order codes. These codes are illustrated with example quotes from interviews with case airport managers in Figure 19. First order codes were then grouped into categories that represent types of issue or influence on decision-making described by the respondents participating in the study. These categories were then aggregated into theoretical dimensions. The first two theoretical dimensions and their underlying categories were those that had derived from the literature. Ownership, the first emergent category, was a key consideration in the selection of case airports, which display a maximum variation over the current possibilities for shareholding. The remaining categories emerged from the first order codes and were then aggregated to provide theoretical dimensions.

The second step, analytic coding, reviewed the data corpus and the initial coding to interrogate the data, seeking answers to a number of key questions. As this research investigated the process by which airport managers decide how and whether to incorporate their stakeholders' input, questions asked during the analytic coding of the data followed Charmaz (2006, p. 50) and included:

- *“What process(es) is at issue here? How can I define it?”*
- *How does this process develop*
- *How does the research participant(s) act while involved in this process?*
- *What does the research participant(s) profess to think and feel while involved in the process? What might his or her observed behaviour indicate?*
- *When, why, and how does the process change?*
- *What are the consequences of the process?”*

Figure 18 Overview of data structure



Source: Guided by Creed, DeJordy and Lok, 2010, p.1345, Ladge *et al*, 2012, p. 1456, and Pratt *et al*, 2006, p. 241

Figure 19 First order codes and example quotes

First order codes	Examples
Statements about, "Accumulation and the commodification of human activity"	"presumably you want your investment to appreciate in value, dividends to increase, and returns to improve"
Statements about, "Rationalization and the regulation of human activity by legal and bureaucratic hierarchies"	"there is a very strong desire to recognise that this airport actually is an economic driver of the region"
Statements about, "Participation and the extensions of popular control over human activity"	"the noise and the intrusion are the whole thing that matters to the voter".
Statements about widely taken-for-granted ways of making decisions or 'doing things'	"that process I was talking about before about intuitively knowing what you can and can't and should and shouldn't take on board and what is of value to take on board"
Statements about listening to the loudest voice – the salient stakeholder	"The dominant stakeholder of course is the planning authority."
Statements about seeking a mid point, balance or equilibrium between views	"I think that at the heart of all the master plans that we have done . . . is the three pointed environmental, social, economic, I think they are pretty balanced in that way."
Statements about innovating to find win-win solutions to stakeholders' issues	"the Company in its values has always had innovation as one of its core values. . . I'm trying to think of an example and am floored by not being able to think of one."
Statements about the way private ownership of an airport has affected decision-making	"as a nationalised industry . . . as a plc from 87 to 2006, and then . . . under independent shareholder ownership since 2006 and all the processes were all quite different."
Statements about how the influence of public sector (LA) owners affect decision-making	"I kind of think that a local authority owned airport is likely to be able to say we are doing this for the good of the area rather more easily than a private sector owner"
Statements about good relationships between airport and local (planning) authority	"What's important is to try and build a common view between the local authority and the airport developer."
Statements about poor relationships between airport and local (planning) authority	"Our authorities had banners draped over the top saying absolutely no to a second runway. The bin lorries painted up with 'no way to G2' written on them"
Statements about involvement of airport managers in influencing stakeholders	"And you have got to have the courage of your convictions, you've got to go out there and argue your case and seek to convince people."
Statements about airport managers adopting an 'at a distance' approach to consulting	"that's the approach the airport had never taken before. It had tried to keep its cards close to its chest"
Statements about long term view of airports versus shorter term view of airlines	"They find it very, very difficult to contribute and make comment on very strategic documents. Their issue is about how is the operation going to be next week or next season"
Statements about airlines' lack of will or ability to engage in consultation with airports	"there's a lot of discussion about the a-symmetry of information with airports having a lot of information and knowledge and the airlines having relatively little compared to airports. Because by-and-large they don't have experts"

5.6.3 Analysis

Analysis of the data progressed from the first two stages of coding (see Figure 17 on page 128) to step 3, fitting the data together and connecting the themes arising (see Chapter 6, which describes the empirical findings). Data were considered both within case and between cases. As this research takes a critical realist perspective, the analysis phases keep in mind the data at three levels: the domains of the real, actual, and empirical as shown in Figure 14 on page 113. The focus is to uncover the underlying mechanisms that influence managerial decision-making at the deepest level.

Step 4 is to explain the theoretical significance of the data in relation to the research question, aims and objectives. At the level of the empirical, described in Figure 14 as analysis of actors' observable actions, empirical experiences and perceptions, the focus is on achieving an understanding of the experience of airport managers at a local level. This perspective is contrasted with the domain of the actual, where the focus is on the global generalisations prevalent in the airport sector. Figure 14 describes analysis of institutions influencing actors' behaviour and justifications as the core of this domain. Analysis at these levels allowed for a rich description of the domain of the real. This is where paradox and emergent patterns across populations in organisations and society arise and, in this case, involved analysis of actors' justifications and citations or evidence of institutional logic.

The method employed in explaining the data in this study draws on Lofland *et al*, who draw particular attention to questions relating to strategy, which is of key importance to this study:

“(1) What is the situation, scene, or task? (2) Is it an habituated, taken-for-granted, routinized situation or task, or is it a problematic one in the sense that action has been called into question, thwarted, or derailed? (3) What are the strategies being employed in dealing with the situation?” (Lofland et al, 2006, p.166)

5.7 Research quality

One of the enduring questions in qualitative research is how to warrant theoretical claims from the grounds of empirical data sufficiently robustly so as to convince an audience (Toulmin, 2003). Toulmin regards this type of reasoning as a social process that should occur amongst the members of a scientific community. Indeed, the empirical phase of this research has been undertaken with the help and cooperation of a number of academics in this field. However, as Ketokivi and Mantere point out, there is no firm answer to the question of warranting theoretical claims, only:

“an enduring dilemma for all empirical organization science: the incompleteness of inductive reasoning” (Ketokivi and Mantere, 2010, p. 315).

Inductive reasoning, attempting to generalise from events observed where there may be any number of possible generalisations, is currently and perhaps necessarily methodologically incomplete and certainly open to criticism from others who may favour other strategies (*ibid*, p. 316 and p. 325). In terms of this research, multiple sources of evidence have been used to triangulate the data. As well as secondary sources of information, two participants from each case airport who had been involved in the decision-making process to finalise draft master plans were interviewed. In addition, a number of experts in the field were also interviewed to ensure generalisations are robust. Table 5.3 details the actions taken to ensure the quality of this research.

Table 5.3 Quality criteria

Quality of the research	Actions undertaken
Replicability and reliability	<p>Adherence to a clearly defined case study protocol as described in this chapter</p> <p>Maximum variation case protocol used, centring on ownership, a variable supported by the literature</p> <p>Pilot interview undertaken</p> <p>Interview protocol developed in line with theoretical notions</p> <p>Evidence documented, interviews recorded and transcribed</p> <p>Nvivo software used to perform and document coding</p> <p>Coding protocol for legal cases and interview data provided illustrated with examples from the data</p>
Construct validity/ credibility, authenticity, and plausibility of individual accounts	<p>Multiple sources of evidence used to provide data triangulation</p> <p>Plausibility of individual accounts validated by interviewing two airport managers from each of four case airports as well as a number of experts in the field</p> <p><i>A priori</i> coding maintained close links between the literature and the research issue</p> <p>Themes emerging from the data maintained close link to participants' descriptions of research problem</p> <p>Detailed register of evidence maintained through the use of NVivo</p>
Internal validity/ causal relationships	<p>Two respondents from each case airport interviewed</p> <p>Cross case and between case analysis undertaken</p> <p>Use of experts in the field to assist with verifying the validity of causal relationships identified</p>

	Theoretical claims robustly warranted from the grounds of empirical data
External validity/ generalisability beyond cases	<p>Selection of maximum variation cases around a literature-based variable</p> <p>Emergent theory linked closely to extant literature</p> <p>Investigation of underlying influences on decision-making</p> <p>Focus on the institutional pressures acting on the airport sector as a whole and not just on cases in the study</p> <p>increase the likelihood that similar events would occur in other settings</p>
Credibility and practical relevance	<p>Pilot interview carried out</p> <p>In-depth case studies provided using a variety of secondary research sources in addition to airport interviews</p> <p>Interviews carried out with respected, high level industry experts</p> <p>Data gathered and analysed accurately</p> <p>Links made between data and theory throughout establishment of the empirical methodology</p> <p>Personal expertise in the field and ongoing commitment to research</p>

Source: Guided by Micheli, 2007, p. 67

5.8 Chapter summary and reflection

Whilst positivism dominates airport research, the social and political issues raised by this particular research question seem better suited to the philosophical assumptions expounded by critical realism. Its intention to uncover underlying mechanisms (Bhaskar, 1978; Blaikie, 1993) and its ability to handle the dual influences of structure and agency (Archer, 1998) on managerial decision-making are indeed key to the research strategy defined in this chapter. The chapter has also exposed the researcher's motivation for the study and highlighted the purpose of the research, which stem from the privatisation of the UK's airports. Privatisation has brought fundamental changes to the UK's airport system, one of which is that airport managers now have the task of soliciting stakeholder opinion on airport development. However, there is a distinct lack of research in this area. This leaves academics and practitioners from public and private sectors without a clear understanding of how the consultation process currently works and in particular how airport managers see their choices for action in this situation.

This chapter has identified a comparative case study approach as most suited to the research problem as it allows for the investigation of the social processes that cause the observable actions (Bhaskar, 1978; Sayer, 2004). A comparative maximum variation case study approach has been selected to allow for the investigation of how context and the mechanisms that underlie observable actions in reconciling stakeholder conflict interact (Ackroyd, 2009) across the widest possible variation in the dimension of key interest - the ownership of airports.

Data was elicited through a variety of means in order to obtain methodological triangulation (Denzin, 1978; Micheli, 2007). Research was conducted in four phases covering (1) a comparison of dynamics of each case study airport, master planning arrangements, and changes to draft master plan, (2) interviews with industry experts and key stakeholders, (3) interviews with airport

managers, and (4) analysis of legal challenges to airport development. Findings are detailed in the following chapter.

A methodology chapter is not complete without mention of the researcher's reflection, reflexivity⁹, and phronesis (Aristotle's concept of practical wisdom). Taking these three activities in turn and commencing with reflection of the empirical research process, a driving force was the critical realist's view of reality being independent from the researcher's understanding of it (Sayer, 2004). I therefore recognise that knowledge is co-produced and that the researcher is not merely a detached observer. A notable difficulty was arranging interviews with master plan decision-making airport managers and also with some industry experts. This was because of concerns about the sensitive nature of the subject and understandable suspicions about the intention of the researcher. I overcame these concerns through persistence, the use of industry contacts, and validation by the Department of Air Transport at Cranfield University.

Detailed explanation was given as to the purpose of the research and the problem it addresses and the interviewees were open, helpful, and generous with their time, for which they have my grateful thanks. The pilot interview provided the opportunity to reflect on the questions in the interview schedule and the order in which they should be asked. Explanation of the research topic gave airport managers the opportunity to demonstrate the level of interest they have with the research problem, which allowed a rapport to be built up between the interviewer and interviewees. My knowledge of the sector and of the master planning process allowed interviewees to discuss in depth their experiences and problems, which added greatly to the richness of the data gathered.

In line with Langdridge (2007, p. 59), I asked myself a number of reflexive questions at the commencement of the study, during the writing of this

⁹ In this context reflexivity refers to critical or meta- reflexivity with its concern for community based on values rather than autonomous reflexivity and a self-centred concern for one's own interests (Archer, 2012; Scrambler, 2013)

methodology chapter, and as I was writing up the findings. These questions included: why am I carrying out this research; what do I hope to achieve by it; and how might it impact on the airport sector generally? During the research process, I become aware of the need for reform if the notion of stakeholder consultation was to be anything more than an expensive tick-box exercise. Meta-reflexivity and the belief that social problems will not be solved by individualistic incentives or political interventions (Scramber, 2013), leaves hope for the improvement of society in the hands of those with the energy to struggle for change. My hope is that this research will assist the struggle, if only by highlighting the considerable and institutionalised constraints that serve to restrict stakeholder participation.

In terms of phronesis, since, "*The professions are plagued with a theory-practice gap*" (Kinsella and Pitman, 2012, p. 2), my search for knowledge is orientated towards action. This reflection has therefore been concerned with the pragmatic so that professional practice can benefit from the knowledge generated by this study.

6 EMPIRICAL FINDINGS

6.1 Introduction

This chapter presents findings from the empirical research. This phase of the study was conducted by both interviews with informants as described in the previous chapter and through secondary research. A summary of the findings from the secondary research is presented in section 6.2, which reports on the background to each case airport. Analysis of the institutional backdrop of the airport sector as a whole is presented in appendix 3. Full details of individual case airports are shown in appendix 4. Section 6.3 details legal cases involving three of the case airports to further illuminate the institutional backdrop of the sector. Section 6.4 describes the organisational arrangements at each of the case airports.

Unusually for research in decision-making, where it is frequently difficult to pinpoint the beginning of the process, airport managers' decision-making in this context is clearly defined. Comments on a draft master plan are collected from stakeholders through the consultation process. Managers then finalise their plan, deciding whether and how to change their draft and which opinions to incorporate and which to ignore. It is this clear period of time that limits the four cases. Sections 6.5 and 6.6 (which cover the two *a priori* themes) and 6.7 (the findings from the data corpus) report findings from semi-structured face-to-face interviews with two airport managers from each case airport and from face-to-face, telephone, or email semi-structured interviews with stakeholders and industry experts. The chapter concludes with a summary.

6.2 Background to case airports

This section establishes an institutional context for each of the case airports, building from the work done to identify changes to the institutional pressures on the airport sector as a whole (reported in appendix 3). The focus of exploration of institutional context is to identify the cultural worlds within which actors act (Meyer, 2009) and to uncover how their ‘script’ (Seo and Creed, 2002) affects the choice of decision-making strategy as airport managers finalise their master plans. The section presents findings relating to the ‘field’ and ‘players elements of the institutional context (as shown in Figure 14 on page 113 in Chapter 5). Areas covered include the history and dynamics of each airport, the consultation arrangements made for the master plan exercise, and changes made to the draft master plan. This section also includes findings from analysis of legal challenges to airport development plans. Full details for each case airport are attached in appendix 4. Figure 20 shows the geographic location of each of the case study airports, indicated by a red triangle.

Figure 20 Location of case study airports



6.2.1 Comparison of dynamics of case airports

This sub-section provides a comparison of the dynamics of each of the case airports, the background of their managing directors, and a brief overview of the political context in which the airports operate. Full details of research in this section are shown in appendix 4. Table 6.1 shows the origins of each case airport, their current ownership and infrastructure, and brief details of the airlines serving each airport.

Table 6.1 Comparison of ownership and activity of case airports

Origins of airport and wartime activity:

Manchester	Management retained influence over development at the airport during WW2, ready for resumption of civilian operations.
Birmingham	After very brief pre-war operation, control of the airport was not returned to City of Birmingham until 1960.
Stansted	Opened as a wartime airfield becoming a civil airport in 1966 when BAA took control.
London City	Uniquely, London City was built and operated by private sector investors from the outset of operations, in 1987.

Current ownership:

Manchester	MAG (Manchester Airports Group) owns and operates Manchester Airport on behalf of the 10 local authorities in Greater Manchester. Manchester City Council owns 55% of the shares, with 5% held by the other nine stakeholders. MAG also owns Bournemouth, East Midlands, and since January 2013, London Stansted Airport.
Birmingham	The current shareholding arrangement at Birmingham Airport is Seven West Midlands district councils 49%, Ontario Teachers' Pension Plan and Australia's Victorian Funds Management Corporation 48.25% and the Employee Share Trust 2.75%. At the time of the master plan in 2005/6, Macquarie and Aer Rianta International owned the private sector shares.

Stansted	At the time of data collection and of the master plan under consideration, Stansted was owned and operated by BAA, subsequently Heathrow Airport Holdings. It was sold in 2013 to MAG.
London City	Currently owned by Global Infrastructure Partners (GIP) who also own London Gatwick Airport (75%) and Highstar Capital (25%).

Current infrastructure:

Manchester	Two parallel runways, three terminals plus a freight terminal. Billed as the global gateway to Northern England, it is the largest airport outside the South East and 3 rd busiest in the UK.
Birmingham	Single runway, currently being extended by 400 metres, and one terminal. 2003 White Paper identified Birmingham as the preferred location for development in the Midlands, with potential for a second short runway.
Stansted	Single runway and one terminal, Stansted is the 4 th busiest airport in the UK. The potential for growth and a second runway was identified in the 2003 White Paper.
London City	Operational since 1987, the city centre airport has one runway and one terminal building. Development is constrained by docks to the north and south of the site.

Airlines serving the airport:

Manchester	Mix of long and short haul, scheduled, charter, low cost airlines, and freight
Birmingham	Dominated by low cost carriers. Also with short haul scheduled/charter flights and a small percentage of long haul.
Stansted	The vast majority of flights are short haul operated by low cost carriers, with Ryanair and Easyjet the dominant carriers. Also a major freight airport, one of busiest in UK.
London City	Focus on short haul full service carriers, business and corporate travel

A key indicator of the function of an airport (such as a transport hub, property asset, retail business, part of an investment portfolio, etc.) from the viewpoint of the Board, is the background and experience of the managing director they appoint. As such, Table 6.2 compares the background of the managing directors at the case airports.

Table 6.2 Background of Managing Directors

<p>Manchester</p> <p>From an MD with an aviation background, Manchester Airport moved to MDs with marketing and then retail experience.</p>	<p>Birmingham</p> <p>Birmingham has had only three MDs since 1994 and suffered the loss of Richard Heard in a car accident in 2003. The expertise of these MDs was firstly in local government, post part-privatisation in engineering, now finance.</p>
<p>Stansted</p> <p>Stansted has seen MDs from a number of disciplines, from Terry Morgan with his technical background through finance, engineering, and manufacturing, to the current incumbent with his estate management training.</p>	<p>London City</p> <p>London City has had only three MDs since inception. Their backgrounds have been all been in aviation although the newest incumbent also has banking/finance experience.</p>

Finally in this sub-section, the local political situation is summarised in Table 6.3. This provides an overview of the political pressures and dynamics that impact airport managers when they make decisions about stakeholder input to the master plan. These findings assist the assessment of the power of the 'players' in the game of finalising airport master plans and begin to indicate the institutionalised rules of decision-making in this context.

Table 6.3 Local political situation and 2003 White Paper proposal

Manchester Area is a traditional Labour Party stronghold. City council has majority shareholding in the airport. The White Paper recommended additional terminal capacity to make maximum use of the two runways. Planning applications upheld despite protests (c.f. second runway).	Birmingham Airport sits in a long-time Conservative constituency although the West Midlands have councillors representing all main parties and City is predominately Labour. White Paper suggested 2nd runway and identified Birmingham as preferred location for growth in the Midlands. Plans for 2nd runway withdrawn by management
Stansted Area predominantly Conservative or Liberal Democrat. Councils not supportive of development of 2nd runway, which had been specified in the White Paper. Planning application withdrawn.	London City Traditional Labour Party stronghold with stable council for many years. The airport's focus on local issues has drawn political support and allowed 5 planning applications to be successful. White Paper talked of some development to achieve higher throughput.

6.2.2 Consultation arrangements

This sub-section reviews the consultation arrangements at each case airport as shown in Table 6.4.

Table 6.4 Consultation arrangements at case airports

Period of consultation	
Manchester Draft master plan to 2030 was published in July 2006 and public consultation ran until October 2006.	Birmingham Draft master plan published on the 31 st October 2005 and the consultation period ran until the 31 st March 2006.
Stansted Master plan produced in two stages, G1 (existing infrastructure) and G2 (second runway). A combined consultation on the draft interim plan and on the G1 planning application ran from 27 th July to 31 st October 2005.	London City Consultation ran from March 2006 for a period of two months. The plan was finalised in November 2006
How consultation handled	
Manchester The 2006 master plan presented the management's preferred option with several thousand copies of the draft master plan, 4,000 summary brochures, and 400 full sets of all documents sent out.	Birmingham The draft plan included management's preferred location of the second runway, although management revised forecasts to justify its deletion from the final plan. Two public meetings held and visited 100 locations with a mobile exhibition bus. Draft plan was available on the airport's website and circulated to Members of Solihull Local Authority.
Stansted Consultation on a number of options. Circulated to 228 organisations and individuals. Available on airport website. A special edition of the	London City Consultation on management's view. Around 1,000 hard copies of the draft master plan were distributed, 200 e-mails were sent, and the draft plan

airport's newsletter produced to highlight consultation, circulated to 170,000 households within 15-mile radius of airport. Exhibitions held at 27 venues within the 15-mile radius over 34 days.	was posted on the airport's website.
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These somewhat mundane facts, such as how long the consultation period was and how the consultation was handled, mask the power at play when airport managers make decisions about modifying their draft master plans. Table 6.5 shows the volume of responses received during the consultation to the draft master plan.

Table 6.5 Responses to consultation received by case airports

Responses received

<p>Manchester</p> <p>83 written responses were received.</p>	<p>Birmingham</p> <p>Few written responses received despite wide reach of consultation.</p>
<p>Stansted</p> <p>Comments received from 13 organisations and six individuals as a direct response to the draft interim master plan consultation. A further 46 respondents to the G1 Planning Application specifically referred to the draft interim master plan. A respondent said, <i>“It was just over one quarter of one percent responded”</i>.</p>	<p>London City</p> <p>23 responses received, which unusually were highlighted on the final master plan. This showed where points made by respondents had been incorporated into the text and detailed other comments and questions alongside the airport's reaction to them.</p>

6.2.3 Case airport master plans

Airport master plans are generally presented in very similar formats. All commence with a forward by the Chief Executive Officer or Managing Director and revolve around current national policy. Master plans detail the management's vision for the future and invariably feature the economic benefits provided by the airport's operation as well as the environmental impacts and mitigations. Lengths vary from Stansted's 52 pages to Birmingham's 128. Master plans are invariably produced in hard copy and electronic formats.

Manchester Airport produced five separate documents including an overarching master plan, "Master Plan to 2030" and ground transport, environment, land use, and community plans. Respondents believe their portfolio approach to presenting the master plan helped them focus on the particular needs of the stakeholder community. To explain this, one respondent said, *"if we are having a discussion . . . with the Greater Manchester voluntary sector . . ., then they're not interested one jot in the land use plan but what they are interested in is the community plan."*

Birmingham Airport "Towards 2030" included the aspirational mission statement "To be the best regional airport in Europe". Stansted Airport produced an interim master plan titled as such, which detailed plans for the existing runway with the intention of producing a separate plan for the then proposal for the second runway. London City Airport's plan was unique in that it highlighted changes that were made between the draft and final versions of the master plan. The final plan included details of consultation responses and whether or not they were incorporated into the main text as an addition or amendment.

6.2.4 Changes to draft master plans

With all case airport master plans, very few changes were made between the draft master plan proposal and the final version. In summary, changes were as follows:

Manchester: A few textual changes made between draft and final plan with all planned development going ahead.

Birmingham: Few changes to content of draft plan except for deletion of the second runway, which was based on revised forecasts provided by management.

Stansted: Master plan was not finalised but converted to a planning application for a second runway. The airport presented stakeholders with a number of options for consultation and the final selection was management's preferred choice. Permission was never achieved and dropped before the airport's sale to MAG.

London City: A few textual changes made to the draft master plan, each highlighted on final plan. Subsequent planning application was successful and airport achieved the ambitions of the master plan.

A lack of participation by stakeholders was common to all case airports, whose consultations were handled in very similar ways. It is possible that airport managers design their consultation, with help from consultants, to prevent open decision-making or encourage non-decision-making, invoking mechanisms to keep decisions from being discussed. Table 6.6 shows a summary of the strength of opposition to each of the case airport's master plans.

Table 6.6 Opposition to case airport master plans

Strength of opposition to master plan	
Manchester Low response rate to draft master plan. Strong opposition to second runway in the 1990s but little change to 2006 plan.	Birmingham Low response rate to draft master plan with very few changes made other than the deletion of the second runway. Opposition had been targeted at the second runway and some stakeholders felt this had been a 'stalking horse' to deflect opposition to the existing runway's extension.
Stansted Low response rate to draft master plan. No local authority support in spite of conformity to 2003 White Paper. Local authority actively campaigned against development of the airport (including painting bin lorries with "no way to G2" and displaying banners on the Town Hall). The planning application eventually dropped.	London City Low response rate to draft master plan. Little opposition and all comments on draft master plan tracked on final version.

6.2.5 *Summary of differences in case airport backgrounds*

In terms of the differences between case airports at an individual level, Managing Directors at each of the four airports have widely differing backgrounds. Prior to the 1986 Airports Act, all except the MD at Birmingham Airport, who had local government credentials, had an aviation background. Appointments at Manchester Airport moved from aviation experience to marketing and subsequently retail experience. At Birmingham Airport, the transition has been from local government, through engineering to finance. Stansted had a much earlier focus on finance through their MD and has since

seen this change to engineering and manufacturing to estate management. At London City Airport has retained its focus on aviation-trained MDs although the current incumbent also has banking/finance experience.

At an organisational level, London City Airport, a city centre airport focusing on short-haul full service, business and corporate travel, was built and owned by private sector investors. In direct contrast, Manchester Airport, originating from the birth of aviation, retained some control of development during WW2 and is now owned and operated by MAG, a group of local authority shareholders. The airport, Gateway to northern England, provides a full range of air services. Both Birmingham and Stansted Airports, part privatised and privatised respectively after the 1986 Airports Act, are dominated by short-haul low-cost carriers. The 2003 White Paper identified both these airports for expansion, including the building of second runways. Neither airport has received planning permission for this development. Whilst Stansted Airport management tried and failed, Birmingham Airport's managers revised the government's traffic forecasts to negate the need for the new runway until 2030.

Stansted Airport received no support from its Conservative/Liberal Democrat local authorities, which actively campaigned against them. London City, also privately owned and operated like Stansted but in a Labour-run local authority, receives ongoing support and has successfully submitted five planning applications. Neither Manchester nor Birmingham, both with public sector shareholders, experience particularly difficult relationships with their local authorities and both work closely with the local planning departments. Manchester is located in staunch Labour Party territory and Birmingham in a long-time Conservative constituency although the City is predominately Labour.

None of the case airports had substantial engagement from stakeholders during their consultation. All had invoked a similar process for consultation. Interviewees from case airports generally expressed the difficulty they had engaging airlines in the consultation process (for further detail see sub-section

6.7.4). Very few changes to draft master plans were made in response to stakeholder input, with most being merely textual alterations.

6.3 Legal challenges

Analysis of legal challenges to airport development is included in this study for two reasons: Firstly, legal challenges are well documented and provide a means of clearly identifying the arguments and their underpinning logics that protagonists use both for and against airport development and that judges use to make their decisions. Secondly, in the process of stakeholder consultation, this research showed that airport managers are keenly aware of the need to avoid any future legal challenge or, if disagreements are taken to Court for judgement, to protect themselves from a negative outcome as much as possible. It is also important to understand how, at an individual level, decision-making employees at the case airports may have been influenced by their past battles with stakeholders.

This section analyses the final judgements of legal challenges against three of the case airports. It should be noted that no legal challenge was found for Birmingham Airport.

6.3.1 ***Manchester Airport Second Runway Inquiry, 1994 - 1997***

The John Rylands Library at the University of Manchester holds an archive of documents relating to the inquiry into Manchester Airport's second runway. The inquiry was held between June 1994 and March 1995. The collection runs to several volumes and contains a copy of the Inspector's final report, which summarises the evidence. It is this summary on pages 1158 to 1166 that has been analysed and presented here.

The Judge's summing up centred on addressing the conflict within the relevant Development Plans. Approximately half the application site lay within Manchester and half in the Macclesfield Borough of Cheshire. The Judge's starting point, "*for drawing the many threads of the conclusions together and weighing them in the balance*" (Manchester Airport 2nd Runway Box 31/M69 Final Conclusion, paragraph 26.24.5) was the relevant Development Plans.

However, as the Judge pointed out, these “*pull in different directions*” (*ibid*, paragraph 26.24.5). On the one hand, the entire airport development site lay within Green Belt. On the other, the Manchester Development Plan fully supported expansion of the airport although the Cheshire Development Plan did not. Neither had specifically mentioned the second runway and neither dealt with the issue of the Green Belt. The Judge therefore concluded that development within the Green Belt would constitute inappropriate development (*ibid*, paragraph 26.24.8). Nonetheless, the Judge approved “*inappropriate development*” on the grounds of very special circumstances (*ibid*, paragraph 26.24.29)

Because of changes made to the Environmental Statement just prior to the opening of the Inquiry, Cheshire County Council changed from being an objector of the proposal to a supporter. Due to issues under the Highways Act 1980, the Department Of Transport had also started the Inquiry as an objector but had become a neutral party (*ibid*, paragraph 26.24.3). The Judge identified the likely negative and positive effects of development of the airport. Under harmful effects he listed the following:

- Noise, which he identified as “*far less than many residents fear*” (*ibid*, paragraph 26.24.11),
- Risk, discounted because, “*there are no tolerability criteria for the consideration of risk at UK airports*” and that, “*without a tolerability benchmark, there can be no meaningful assessment of risk*” (*ibid*, paragraph 26.24.12)
- Ecological matters, moderated by a “*substantial mitigation package*” (*ibid*, paragraph 26.24.14)
- Landscape, which would be particularly harmed in the Bollin Valley and the National Trust Styall Estate (*ibid*, paragraph 26.24.15).
- Demolition of four grade 2 listed buildings, which the Judge agreed provided a substantial argument (*ibid*, paragraph 26.24.16)

- Agriculture, geomorphology, and archaeology under which grounds the Judge did not find any substantial arguments (*ibid*, paragraphs 26.24.17-19).
- Highways and transportation, where a package of works allowed for the conclusion that these considerations “*do not tip the balance of highway considerations against R2*” (*ibid*, paragraph 26.24.20)

Under positive effects, the Judge listed the demand for aviation and economic effects. He talked of demand outstripping capacity without the possibility that this could be met elsewhere such as Liverpool Airport or through use of a different site altogether (*ibid*, paragraphs 26.24.21-23). In terms of economic effects, the Judge was at pains to point to the, “*deep-seated and high unemployment and an urgent need for regeneration*” (*ibid*, paragraph 26.24.24) of the area. In his conclusion, the Judge said, “*I am convinced that the case for permission is overwhelming*” (*ibid*, paragraph 26.24.30) and cited:

- The need for additional capacity in the North West (bureaucratic logic)
- Achievement of aviation policy objectives (bureaucratic logic)
- No realistic alternative
- Fundamental economic problems in the North West region (bureaucratic logic)
- Retaining the openness of the Green Belt (democratic logic)

6.3.2 Stansted Airport, Case No: CO/10952/2008

Stop Stansted Expansion, an action group against the development of Stansted Airport, mounted a legal challenge to quash the Government’s overturning of a decision by Uttlesford District Council to refuse permission for BAA to expand Stansted Airport from 25 million to 35 million passengers per year. An Appeal was heard in the High Court over three days from the 24th to the 26th February 2009. Government defendants were the Secretary of State for Transport and the Secretary of State for Communities and Local Government. The appeal focused on the G1 development project, which was concerned with the existing

single runway at Stansted Airport. All parties were aware of a further proposal, known as G2, which followed the Government's 2003 White Paper to develop a second runway (the Planning Inquiry for which had been postponed). A copy of the judgement can be found online¹⁰. The case was heard at the Royal Courts of Justice in London before Sir Thayne Forbes.

Whilst the Claimants accepted the G1 proposal was supported by national policy described by the 2003 Future of Air Transport White Paper, their case centred on ministerial statements that provided a proviso that the decision-maker would be required to take into account the environmental impacts and economic effects of the project:

“even if to do so might lead to a refusal of planning permission for the project in question, in frustration of the national policy support for it expressed within the ATWP” (Carol Barbone and Brian Ross (on behalf of Stop Stansted Expansion) v The Secretary of State for Transport and The Secretary of State for Communities and Local Government [2009] EWHC 463, paragraph 4).

In particular, the claimants asserted that the Secretaries of State had failed to take a number of core factors into account. There were the balance of trade deficit (an argument about outbound tourism and leisure and therefore spending outweighing inbound, creating a *“tourism deficit”*); noise impacts; and greenhouse gas emissions (*ibid*, paragraph 28). However, the Defendants claimed that the Secretaries of State had weighed these factors but come to the conclusion that compliance with the 2003 White Paper and the statutory development plan *“outweighed the identified harm”* (*ibid*, paragraph 29). In this case, there is a clear indication that arguments based on the bureaucratic logic outweighed the democratic logic.

The Judge, spelling out these arguments, referred to the Inspector's Report and the Decision Letter at the conclusion of the original appeal by BAA. He pointed

¹⁰ <http://www.bailii.org/ew/cases/EWHC/Admin/2009/463.rtf> (accessed 8 February 2012)

to four issues raised that aligned with the core factors, which were, at paragraph 31:

- *“The extent to which the proposals accord in principle with current Government policy, with the statutory development plan and with the emerging Regional Spatial Strategy for the East of England; [Bureaucratic]*
- *The effects of the proposals on the living conditions and health of residents in the area, particularly in terms of aircraft noise and air pollution; [Democratic]*
- *The effects of aircraft noise on the quality of life of the area in terms of the educational, cultural and leisure activities of communities; [Democratic]*
- *The economic (including employment) benefits of the proposals.” [Bureaucratic]*

Interestingly, no argument based on a capitalist logic is presented here. The Judge was at pains to point out where the power to make decisions lies. He said,

“Matters of planning judgement are within the exclusive province of the decision-maker” (ibid, paragraph 9.4).

Explaining what is required of the decision-maker, he said:

“The law requires that the reasons given for a decision to allow a planning appeal and grant planning permission must be proper, adequate and intelligible. The reasons should state the decision-maker’s conclusions on the principal important controversial issues in the appeal.” (Ibid, paragraph 9.5)

The appeal was rejected.

6.3.3 London City Airport, Case No: CO/11145/2009

As with Stansted, this case was brought by a group of local people who came together to fight development of the airport. However, unlike the Stansted case, the planning authority, the London Borough of Newham, had supported the airport’s application to increase flights from 70-80,000 per year to 120,000. The

application was made in 2007 and finally granted in 2009. Under the banner of Fight the Flights and led by Anne-Marie Griffin, a challenge was made to development of the airport because of its impact on local residents and on the wider climate. The claimant's case centred on two procedural points: Firstly, that the Council had allowed the variance to planning permission, "*without considering a change in government policy*" (R v. London Borough of Newham and London City Airport Ltd., 2011, paragraph 3). Secondly, that the Council had failed to consult the London Boroughs and residents of Waltham Forest and Redbridge (democratic logic). The case was heard at the Royal Courts of Justice in London before Lord Justice Pill and Mr. Justice Roderick Evans in November 2011.

The first of these central submissions referred to the government target, announced in January 2009, to reduce carbon emissions in 2050 to below the 2005 level. However, the defence submitted that the policy required to achieve the target had not emerged by the time of the London City decision (*ibid*, paragraph 26) and that it:

"was not the Council's task to anticipate changes of policy" (*ibid*, paragraph 29). Indeed, the "*question of how a strategic target is to be met is a matter for Government policy based on technical, economic and political considerations*" (*ibid*, paragraph 33) and was not, of itself, "*capable of affecting the outcome of the planning application*" (*ibid*, paragraph 33).

The Judge accepted the defence's argument on this point.

The second point, that the Boroughs of Waltham Forest and Redbridge were not consulted, had been, it was stated by the defence, because they fell to the north of the 57dB contour, which had been selected by the Council as significant for this purpose. The Judge said the claimant had not established that the decision not to consult the two Boroughs in question was irrational as using the 57dB contour was appropriate (*ibid*, paragraph 58). He also pointed out that, "*the absence of any timely objection from the two Boroughs is*

significant” (*ibid*, paragraph 59). Indeed, neither Borough had taken part in the consultation. Similarly, in terms of the consultation of the public in these boroughs, the judge found that advertisements had been placed in local papers and notices in public libraries. Complaints from these residents had been low, with only seven in three years from Waltham Forest and seven in six years from Redbridge. The application was therefore refused.

6.3.4 Summary of legal challenges

In all three cases, judges found in favour of the proposed airport development. With the Manchester Airport Second Runway Planning inquiry, the Judge cited the need for additional capacity in the northwest, achievement of aviation policy objectives, and fundamental economic problems in the northwest region (all based on bureaucratic logic) as well as issues with the green belt (democratic) as well as there being no realistic alternative.

With Stansted Airport, the appeal against development was rejected on the grounds that planning judgements are the exclusive province of the decision-maker, in this case the district council who need only take account of concerns but is not obliged to disclose any particular weighting of these concerns. This is a key finding that impacts the way in which airport managers make their decisions. This affect is discussed in greater detail in sub-section 6.6.5.

The London City Airport case centred on the local authority granting planning permission without taking account of a change to government policy and also the failure to consult all parties. In terms of government policy, it seems that there was a clash between environmental targets (democratic logic) and the government’s desire for increased capacity for aviation (bureaucratic logic). The Judge decided the planning application need not take account of how a government target was to be met. All grounds were refuted and application refused.

6.4 Organisational arrangements

This section considers the organisational arrangements at each of the case airports as they undertook their stakeholder consultation. As discussed in the methodology (sub-section 5.4.2), a key point of interest for this work was to detect any variances between case airports arising as a result of the nature of their ownership. The separation of the management of organisations from their legal ownership (i.e. the shareholders) has attracted the attention of numerous researchers since Berle and Means published their seminal work in 1932. The focus of this section of the empirical work is on aspects at the individual, organisational, and logics categories of findings. The intention is to reflect on how ownership of the organisations under investigation affects arrangements for stakeholder consultations and the decision-making that follows. The section follows particularly Delbridge and Edwards (2013) to understand institutional complexity and the interdependencies between actions, contexts and institutional logics.

6.4.1 *Context and the UK airport sector*

Chapter 3 describes the history of stakeholder consultation as it pertains to this work. This chapter (and appendix 3) summarises the history of the UK airport sector, which has seen great change in its context. Initially, aerodromes were owned privately or by local or municipal authorities, and aviation was the preserve of the wealthy. Aerodrome development was viewed as part of urban rather than national transport infrastructure and as part of urban decentralisation. During WW2, the UK's airports were nationalised and, post war, aviation was seen as good for UK industry and competitiveness and therefore continued to be state controlled. As nationalised industries, airports were run in the national interest with airport managers the trustees of the public good. During the 1960s, a general dissatisfaction with the performance of nationalised industries led to the creation of the British Airports Authority, intended to free government and civil servants from pressure of state control of airports. This coincided with a general professionalisation of management

(Freidson, 1986) and the introduction of target and objective setting first mooted by Peter Drucker in 1954.

However, environmental concerns and public feeling ensured politicians procrastinated about airport development and attempted to distance themselves and government generally from decision-making. In spite of this, the Labour Government during the 1970s were keen to meet rather than to manage traffic demand to ensure London's place in the world's economy. However, as Labour began to lose favour with voters, politicians diluted the strength of their support for the expansion of airport capacity. With a change of government, the Conservatives of the 1980s focused on liberalisation and moved to de-nationalise and commercialise the UK's airports. For the London airports, ownership of BAA was transferred to private shareholders after the 1986 Airports Act. It was sold in its existing monopoly situation, even though, as John Moore, an MP at the time, said, it did not, "*make business or economic sense*" (Kay and Thompson, 1986, p29). Both the DfT Airports Policy and the former Competition Commission respondents noted the issue of selling a monopoly organisation (see section 6.5 for further details).

Post de-nationalisation, airport managers continued to be keen to deliver government objectives as doing so was seen to be in the interests of their shareholders. Government strategy continued to be to "*predict and provide*"¹¹ and privatised airports were under pressure to increase capacity, notably through the 2003 Labour Government White Paper, *The Future of Air Transport*. This White Paper proposed building at least three new runways and the expansion of many other airports to accommodate a massive forecast increase in air traffic by 2030. The 2008 Planning Act, also under a Labour-led administration, changed the law so that Government can overrule stakeholder opposition to large-scale development such as airports.

¹¹ Critique by the House of Commons, see <http://www.publications.parliament.uk/pa/cm200304/cmselect/cmenvaud/233/23303.htm>

However, Labour lost power in 2010 to a coalition government led by the Conservatives before airport planning applications had generally been completed. In particular, Stansted Airport, at that time part of the BAA group, fell foul of a change in the political tide and was unsuccessful in their application for a second runway, despite huge investment in the process. Indeed, the return to the Conservative party approach to capitalism and competition and the breakup of BAA changed airport managers' focus from pleasing government in the long-term interest of shareholders to adopting a more direct focus on returning profit to shareholders, as noted by both the DfT Airports Policy and the BAA respondents.

From the politicians' perspective, it seems the need to win elections trumps economic and capitalist demands. Indeed, little progress has been made to address the deadlock between the desires of 1) airport shareholders, who may be returned a greater surplus if airports are run at capacity, 2) government departments where airport capacity is linked to the UK's economic status and of vital importance in world rankings for reasons including attracting inward investment and creating jobs, 3) environmentally focused NGOs, whose concerns include atmospheric pollution, climate change, and the destruction of areas of natural importance, 4) local people and business representatives who may or may not want airport development close to their homes or place of work, 5) airport managers whose careers and status can be enhanced by the success and growth of the airport under their direction, and 6) politicians whose re-election may hinge on which side of the debate they campaign. As such, a decision on where additional airport capacity in London will be located has been deferred until after the next election in 2015, with consultation in the hands of an independent commission.

For a more detailed description of the research undertaken to collate the history of the UK airport sector see appendix 3.

6.4.2 *Organisational responses to context*

This sub-section describes organisational responses to the context described in the previous sub-section by the cases investigated for this work. This research highlights the discrepancy between the interpretation and meaning given by the various agents to stakeholder consultation. In the case of Manchester, the airport, at the time of this research, was a commercialised limited company in which the local authority retained ownership of all shares. (In 2013, Industry Funds Management purchased a 35.5% stake in MAG to support the takeover of Stansted Airport.) The ‘Manchester Way’, described by respondents from the airport as such, was a touchstone for other airport managers. During the lead up to the building of the second runway, Manchester Airport had a difficult relationship with a number of its stakeholders. In particular, local people and environmental campaigners were opposed to construction and large-scale protests obstructed work. Since then, Manchester, in line with the other case airports, has adopted a programme of ongoing dialogue with stakeholders. One of the Manchester Airport respondents said:

“I think where our starting point would be is that consultation on things like master plans tend to be set piece events, whereas what we now have in place and have had here for many years is on-going dialogue. . . we don’t put as much play on set piece consultations because we’re consulting and having a dialogue all the time.”

Ongoing dialogue is not a requirement of the master planning process. Consultation is only required on a draft plan. However, airport managers, learning from past experience, either their own or from within the sector, have found it more beneficial to communicate with their stakeholders as part of an ongoing programme of PR/consultation. This continual dialogue allows the idea of airport development to become institutionalised by stakeholders – to become part of the “*warp and weft*” (London City Airport respondent) of how things are done and not to give stakeholders any surprises. Many respondents indicated that “*set pieces*” like master plan consultations were not effective. The way in which they are run is costly and time consuming, achieving very low response

rates with frequently no new ideas emerging. This was also the view of the retired DfT Airports Policy respondent, who felt that consultations generally stimulated little innovative thought.

Birmingham Airport is a commercialised limited company with shares held in part by the local authorities and part by private companies. Their approach to stakeholder consultation has developed, particularly since the involvement of private sector companies. Of particular note was the way in which management responded to development of a second runway, proposed by the Labour Government in the 2003 White Paper and which would, *“get us into quite a bit of hot water”* with stakeholders. The project involved:

“a huge, huge land-taking, billion pound project, enormous, all on green belt, all in a very sensitive area and we didn’t actually want it. But the White Paper identified it and it was only going to be a two-kilometre runway so it was no good to man nor beast anyway.”

Therefore, in response, managers revised the government’s traffic forecasts, removing the need for an additional runway in the near future but focusing on extending their existing runway to allow larger aircraft access to the airport.

More generally, managers from Birmingham Airport were well placed to discuss the tensions arising from different configurations of public or private sector ownership. One manager pointed directly to these tensions and how they impinge on strategic decision-making around the second runway and affect the organisational arrangements made in response to Birmingham Airport’s particular circumstances. He said:

“it brings you back this whole debate about what’s important. Is this airport important for shareholder value or is it important as an economic driver of the region? That’s where we started actually and because of the ownership of this airport with seven local authorities owning 49%, there is a very strong desire to recognise that this airport actually is an economic driver of the region. Looking at the other ownership, AGIL . . . clearly have

a long-term horizon and want to see a business plan that's actually going to come out and work in the longer term."

It seems the two types of shareholders (public and private sector) have a similar vocabulary in terms of their strategic direction. This was not the case with Macquarie, where a clash of strategic timeframes left managers without a master plan for some years.

Stansted Airport (a fully privately owned company at the time of this research) had a rather distinct historical context and a different feel to the way they organised their consultation. Principally, there were long-held tensions between the airport and the local authority, exacerbated by the considerable conflict between central government (Labour at the time of the master plan) and the local authority (in opposition). Whilst both Birmingham and Stansted were coping with the possibility of a second runway, each handled the situation and therefore the consultation rather differently. Stansted Airport's strategy was to go ahead with the consultation with the expectation of a successful outcome, given that central government had proposed the additional runway. BAA's strategy had been to, "*keep the Government sweet*" (BAA Group Planning and Regulatory Affairs Director). After privatisation, their organisational arrangement had to refocus although effecting such change required effort on behalf of management. Some of the management, including one of the respondents remained in post during BAA's denationalisation to a range of shareholders and then its privatisation under the ownership of a Spanish company. Therefore certain aspects of the organisational arrangements of a nationalised industry may well have remained in place despite being outmoded, institutionalised as 'the way things are done here'.

London City Airport - fully owned and built by private finance - as an organisation has a very different history to Stansted, Birmingham, and Manchester. However, the CEO (at the time of this research) had previously worked at Manchester Airport and his approach was almost certainly adopted and/or adapted from his past experience. As such, the organisational

arrangements at London City included continuous dialogue with their stakeholders as well as proficient lobbying activity. Whilst “*friends*” such as the CBI, the London Chamber of Commerce, and London First, were lobbied, it was apparent airport managers did not see central government as a key stakeholder. On the other hand, government, since they are the airport sector’s regulators and policy makers, may expect to hold more sway. Indeed, there was certainly some delight expressed by at least one of the eight airport respondents that the government official who had written the policy for master plan stakeholder consultations had subsequently been employed by a regional airport and would have to comply with his own policy.

Indeed, the reason for consultation is subject to conflicting interpretations. The government intend participation in the democratic process and also, arguably, to distance themselves as politicians from situations where difficult decisions affect election outcomes. Public participation in stakeholder consultation, as this research shows, was limited, with a generally low response rate, with expectation of a genuine input into decision-making of this type waning over time. For airport managers, their interpretation of the need for consultation is to comply with planning requirements to smooth the way forward for any subsequent planning applications. In terms of a process for decision-making following stakeholder consultation, government policy does not prescribe nor mention any particular process. Additionally, none of the airport managers interviewed could describe a predefined process for decision-making following their stakeholder consultation.

6.4.3 *Actor responses to context*

This sub-section looks at how individuals responded to their context and organisational arrangements during master planning consultations. At Manchester Airport, both respondents were noticeably planning driven, following the norm in the sector, with the weight of local authority owners behind them. Battles were largely held behind closed doors and in the political arena rather than in the boardroom. This reasonably stable political context and well

tried and tested organisational arrangements allowed managers to “*tick all the boxes*”. This was particularly noticeable when neither respondent from Manchester Airport could think of any examples of innovation either during the consultation process or arising as a result of stakeholder input.

Respondents at Birmingham Airport were relieved the relationship between their local authority shareholders and the private sector investors had improved, with both parties now having a long-term business horizon. Since their Managing Director has a background in finance, this is perhaps utilised to reinforce the common ground between the public and private sector shareholders. The organisation had managed the change from a fully public-sector operation to one with private-sector objectives, focusing on public relations and on communicating with the public to prevent as much confrontation as possible during master planning or any subsequent planning applications. Both respondents offered for interview from Birmingham Airport had PR/communications backgrounds. However, their clearly active engagement with stakeholders is perhaps curtailed organisationally. When asked if they are involved in lobbying, the response was:

“We are doing our best. . . if anyone wants to hear us speak we will talk anywhere, any place, any time. Because at the moment it’s the BAAs that seem to go everywhere.”

The situation at Stansted Airport was distinctly different. The airport and its management, as part of BAA, had seen three phases of ownership and managers were disappointed with their treatment by government, both national and local, particularly since they had once been a nationalised organisation. One airport respondent appeared battle scarred from his experience of the master planning exercise. Although part of the BAA machine, his was a very personal experience of the effect of political games, of responsibility for the compulsory purchase of homes, of failure to achieve planning permission, and, eventually, (although outside of the timescale of the interview) of the enforced

sale of the airport. Since his background was in Estate Management, this series of events must have been particularly galling.

At London City Airport, the charismatic and politically astute CEO, knows who his friends are, or should be, and the consultation was very much driven by him. Schooled at Manchester Airport and then Luton, he led a private airport during a time when the organisation, broadly speaking, had the support of the local authority. Under his leadership, the airport was successful with five planning applications. Whilst declaring innovation, *“frightens people and it never works anyway”*, he seemed perhaps the most innovation-aware of all airport respondents, mentioning lobbying activities and discussing potential changes to regulation in the sector. He was also the only respondent to actively discuss environmental issues. His second-in-command was also politically aware but *“untainted”* by previous public sector experience. His view was that for change or innovation to take place, others had to take *“brave decisions”*. He said:

“The challenge is to get the leadership within the community, within the councils . . . rather than . . . reflecting the community . . . leading the community.”

6.4.4 Summary of organisational arrangements

In terms of the findings from this research, the organisational context, both internal and external to the case airports, is dominated by:

- Meeting rather than to managing traffic demand to ensure London and the UK's place in the world's economy (Humphreys *et al*, 2007)
- Politicians' desire to distance themselves from the contentious issue of airport development
- Continued procrastination about the location of additional runway capacity in the London area of the UK

In terms of organisational arrangements, one key issue is whether or not to develop capacity at airports, given that airports maximise value for shareholders

when run at capacity (Humphreys *et al*, 2007). There was a notable discrepancy between the strategies of the case airports, particularly between Stansted and Birmingham, both subject to pressure from the 2003 White Paper. Indeed, the question of whether airports are important for shareholder value or as an economic driver for the region was raised by a number of respondents and how an organisation manages this issue must greatly affect their organisational arrangements. There also appeared to be differences between the interpretation and meaning of stakeholder consultation by the various organisations involved, particularly between government, airport management, and the local populace. Whilst government recommends 'set piece' consultation around a draft master plan, airport managers find ongoing dialogue more advantageous. Stakeholders, perhaps weary of consultation, rarely participated in the process, as evidenced by very low response rates.

For individuals, actors were generally not innovative, preferring to conform to the norms within the sector, principally to the planning needs of the local authority. This was particularly the case with the Manchester Airport respondents. Those from Birmingham Airport noticed a change towards a more private sector ethos and focused on PR/communication with stakeholders. At Stansted, disillusion with the political situation was particularly pertinent. At London City, relationships with the local authority were amicable and generally supportive and senior management were confident in their lobbying and consultation activities.

6.5 Influence of institutional logics on case study airports

Two *a priori* themes emerged from the review of the literature as described in Chapters 2 and 4. The first focused on the institutional logics behind stakeholder opinion, the arguments they create, and on how managers deal with the resultant conflict. Institutional logics are the organising principles of an organisational field (Friedland and Alford, 1991), guiding the behaviour of field-level actors by providing the taken-for-granted rules and practices for action in the field (Scott, 2001). As these logics coexist in different degrees of interdependence and contradiction, analysis of the data centres on the prevalence of each of the logics in the airport managers' accounts of their decision-making processes. The focus of this section is to examine the arguments created by institutional logics and how they impact managers' decision-making.

The Stansted Airport case includes the opportunity to examine respondents' thoughts on the breakup of the BAA airports, which had included London's Heathrow, Gatwick, and Stansted. This is an area of interest for its ability to illuminate the conflict between competing institutional logics in the government and airport's arguments. The DfT Airports Policy respondent said the government,

“clearly felt that if Heathrow was in competition with Gatwick, you were more likely to get expansion”.

However, the Conservative Government under Margaret Thatcher at the time of the 1986 Airport Act had gone ahead with privatisation of the BAA as a whole. The respondent formerly a member of the UK Competition Commission pointed out the opposition to privatising BAA as a monopoly. Indeed, the DfT Airports Policy respondent said that:

“Nicolas Ridley was very concerned not to move things to the private sector from the public sector whilst there was still a monopoly. I suppose that was also the concern of the Treasury because I think

that when they privatised things like British Gas, they were rather regretting they hadn't broken it up before and introduced competition."

However, as the former Competition Commission member said, the Conservative government at the time of privatisation had obtained more money for industries in a monopoly situation, including for water, electricity, and railways.

The former Competition Commission respondent explained how the sale of BAA was made possible. He said that:

- The then Government focused public attention on de-nationalisation rather than on privatisation.
- The public were not generally in favour of privatisation but liked the idea of making money from the sale.
- The unions did not have the power to disrupt the sale of BAA.
- Privatisation got certain industries "*off the backs of civil servants*".
- Conservatives are disposed ideologically to privatisation.
- The public had made a 93% gain in one day through the purchase/sale of BT shares and BAA fitted into the overall de-nationalisation programme.
- There was favourable media coverage.
- At worst, people were not concerned one way or the other so the Conservatives felt they were not going to lose votes.

When the breakup of BAA was mooted, the assumption by the government (and the Competition Commission) was that competition would stimulate investment in each of the airports. However, the respondent who was formally BAA Group Planning and Regulatory Affairs Director said:

"you will find that the attitude of the airports was entirely different from the behaviour forecast by the Competition Commission".

Indeed, he spoke about how company strategy had changed following the enforced sale of a number of BAA airports. Regarding the second runway at Gatwick, the position before the breakup was that managers should,

“try and comply with government policy and position itself as being a rational agent of government policy and that would be in the interests of shareholders for BAA to keep the Government sweet and to go along with the Government.”

However, BAA made it clear in their appeal against the Competition Commission that their position on the second runway would be very different after the breakup when their focus would be purely on generating profit. The BAA respondent said:

“If you think about if you were the Managing Director of an airport owned by BAA and BAA was on a mission to support the Government for good political reasons, you would go ahead with the second runway, wouldn’t you, at Stansted. But if you were just running the airport on its own for cash, then you wouldn’t.”

The DfT Airports Policy respondent agreed, saying:

“What’s put back investment in runways, which is what the Country really needs economically, has been the politics of it and not the lack of competition with BAA being an evil monopoly making heaps of profit if they don’t put in extra runways.”

The coalition Government initially went against previous Labour Government policy of increasing the number of runways at the London airports. The respondent from the DfT (Airport Stakeholder Consultation) said:

“the Government came out in May 2010 and said we are not having runways at any of . . . the main airports. Now they have backed off that but . . . BAA have reminded them regularly with letters from lawyers of the precedent set by Gatwick. And that Heathrow cannot

be excluded from the review of options for London capacity and hub airports . . . if this is supposed to be an unbiased, objective, comprehensive review, you can't rule something out to start with."

Indeed, this respondent talked about stakeholder power, in particular the timing of that power. He said:

"So the apex of the stakeholder input is when you hit a legal challenge."

He continued on the subject of stakeholder power, saying:

"the way that the stakeholders apply . . . pressure in different parts of the process and through different mediums whether it be ministers and politicians, . . . special advisors and the senior civil servants, . . . makes quite a big impact. The stuff that doesn't work is . . . shouting, putting yourself in a position where nothing other than you want, for environmentalists it was no runways of any kind, . . . you have no influence because you will simply be dismissed."

The following sub-sections consider separately the logics of capitalism, bureaucracy, and democracy.

6.5.1 Capitalism

Definition: "*Accumulation and the commodification of human activity*" (Friedland and Alford, 1991, p. 248).

At London City Airport, the overriding impression from the empirical data was that the capitalist logic was the key institutional influence. Whilst managers at all levels within the company were clearly committed to engaging with their stakeholders, they were in no doubt that ultimately they had the right to make all decisions on behalf of the airport Board. It is the Board who set strategy, be it long-term or short-term, where shareholders might, if that was their strategy,

“milk the revenue for as much as we can without making any significant investment”.

In terms of the shareholders relationship with management and their decision-making, one London City Airport respondent said:

“why would you be investing in an airport if you didn’t want to see that airport become more successful? You may have different views about what more successful means but presumably you want your investment to appreciate in value, dividends to increase, and returns to improve. So if management is coming up with plans to do that, they are certainly worth entertaining”.

Conversely, despite close examination of the interview transcripts of both Manchester Airport respondents, there were no indications of the capitalist logic influencing decision-making. It is noted, however, that this influence may be noticeable at Stakeholder Committee and/or Board level. At a management level, both respondents felt their role was very similar to that of a local planning exercise for a local authority area. Indeed, there was a feeling that their ownership set them apart from other airports in their decision-making as they have,

“a duty to be seen to have taken on board the responses that you receive”.

Indeed, this appears to be the case, not just for Manchester but also for the other airports under MAG ownership. Talking about their relationship with local authorities, one respondent said:

“it’s strange when we took ownership of the smaller airports, how establishing that relationship gave the local authority much more confidence in us”.

Whilst there was no overt evidence in the transcripts of the capitalist logic influencing decision-making at Manchester Airport, respondents did acknowledge,

“the commercial side of things”, particularly referring to a, “group of stakeholders who have got a commercial interest in the airport and its operations”.

The respondent formally from the DfT (Airport Stakeholder Consultation) confirmed that, in his view, *“no one would overtly come out with the make money”* argument:

“You do not play the ‘we need to make a profit to invest in the airport’ card because that simply puts everybody off.”

He said:

“The way that would be expressed is to allow investment and private investment so that it is not a drain on the public purse and that’s how government pick up and express it.”

When asked which of the logics carried most weight, he responded:

“the thing you have to do is demonstrate why you are important to the region, local or wider region that you lie within. . . . i.e. the direct impact of the airport itself for jobs and spending. But I think more importantly is . . . very much around connectivity, its role in facilitating the operation of the wider economy.”

Part of Manchester Airport management’s role was,

“making sure that our own airport stakeholders, our airlines, our tenants, our concessionaires, people like that, are as aware of what our responsibilities are”.

This further indicates the suppression of the capitalist logic in favour of the logic of the bureaucratic state. In spite of this, stakeholders and experts generally felt privatisation had made no difference to airport operations and all airport

managers behave in similar ways. This was particularly true for the DfT Airports Policy respondent, who said:

“I don’t think that makes much difference to the way they actually behave – whether they are in public ownership or private ownership. Take the example of Manchester Airport that is still fully under public ownership. That has been very aggressive in its expansion – getting American Airlines to fly direct to Manchester. I don’t think there is any really difference in terms of their approach.”

He continued:

“I would say that Manchester was always very commercial in its operation and I don’t think there has been a particular conflict between the airport management who were all keen to expand I don’t think there were any great restrains imposed on managers by local authority people. You see, most of the time I think that people do recognise the economic value of airports.”

The managers at Birmingham Airport commenced their master plan process by involving their shareholders, and respondents talked about the influence of their private sector investors on the business. One of the airport respondents noted a change since part privatisation, saying that since then,

“we are seeing a bit more of a business side to the company, if you know what I mean, in terms of how we do business.”

She said:

“Things are clearer in terms of objectives from the private ownership”.

The most recent private investors in Birmingham Airport were Macquarie from 2001 to 2007, and subsequently AGIL. The influence on decision-making of these two private sector shareholders had been very different. With Macquarie, there had been a short-term view of business and indeed the ensuing conflict

left Birmingham Airport without a business plan for 10 years when Macquarie refused to sign it off. It seems that Macquarie,

“had used this investment to leverage other investments”.

When Macquarie sold to AGIL, peace was seemingly restored as both major shareholders from public and private sectors had a long-term vision for the business. Nonetheless, the influence of the capitalist logic is strong and one Birmingham Airport respondent said:

“we’ve got to be able to realise a commercial return on what we are doing. That’s the over-riding thing”.

A Birmingham Airport respondent felt it was the potential cost of the second runway, particularly the need to purchase properties, which had prompted managers to produce revised traffic forecasts. These forecasts differed greatly from those used by the Government to produce the 2003 White Paper and were used to negate the need for the new runway. The respondent who was a former BAA Board member said that Birmingham ended up with,

“a master plan that was not consistent with the White Paper but that was much more flexible.”

In direct contrast to Manchester Airport, where a respondent said the business falls in line with the master plan, one of the Stansted Airport respondents said:

“I think an airport board pays much closer attention to the Capital Investment Programme than it does to the master plan”.

The airlines too have a vested interest in the Capital Investment Programme. The respondent from Flybe said of their view on master planning generally,

“We looked at the future growth predictions and how this impacted on capital expenditure.” Flybe then, *“commented when we felt our regional operations might be compromised or burdened, particularly by speculative capital expenditure plans.”*

The airline preferred to ensure,

“existing facilities were used to the maximum before expenditure was made on new builds.”

Even though Stansted Airport management focused on the Capital Investment Programme, getting Board and shareholder approval remains a precondition to finalising the master plan. The decision the Board takes is,

“to spend a couple of hundred million pounds taking this forward and getting permission for it. The business case looks like this . . . So basically if you can charge the right amount of money to remunerate the investment - decision by the regulator some years into the future – then it’s an investment that could make money. Not guaranteed but against that background, are you willing to invest a couple of hundred million pounds now and giving you the option to invest later on?”

Thinking about the consultation that included the second runway, a Stansted Airport respondent said:

“obviously you’re not going to invest a couple of hundred million pounds unless you think it stands a chance of making money. But with the benefit of hindsight, it was a bad investment.”

Indeed, as with Birmingham Airport, it was the 2003 White Paper that had suggested a second runway at Stansted. This situation was equally vexing to management at Stansted as it had been at Birmingham. One Stansted Airport respondent, commenting about the legal challenge against the Government relating to permission for the second runway said:

“Government had looked a little bit prescriptive in its location for the second runway. Which is bizarre because, as a private company, we were responsible for all this. There was no government involvement in funding it or doing anything. It was purely down to the operator, which was BAA.”

However, the DfT Airport Policy respondent said:

“I always thought the 2003 White Paper was extremely unwise to put in a third runway at Heathrow because I thought that . . . any Minister was actually going to approve against the direct action . . . from those defenders and therefore what would happen would be the airlines would say they wanted the extra runway at Heathrow economically and they would poo-poo Stansted and if we weren’t careful we would get nothing at all. And I have been proved right. But it was the Treasury I think that insisted that this would be the best option economically even though it was a bit silly politically.”

Once BAA had decided to go along with the possibility of a second runway (unlike Birmingham who ‘revised their forecast’), Stansted managers put forward their preferred option, which met,

“a lot of our own requirements - maximising capacity, maximising efficiency, keeping cost down, which was another material consideration, reducing land take, which was a fundamental consideration”.

These respondents were mindful of the enormous responsibility of submitting a planning application that if granted automatically triggered the airport’s compulsory purchase powers. With the capitalist logic in mind, a Stansted Airport respondent said:

“So not only are you producing a planning permission, you are creating a very powerful tool to acquire people’s property rights”. Not put off by this decision, the shareholders “spent £200 million on SG2. £100 million of that was in buying property and land and various blight schemes”.

In the period post-privatisation, the mood,

“amongst the new privatised owners of BAA was that their first duty was to shareholders and for proper reasons to do with city rules and regulations because as a plc you should not be going talking to neighbours about things that . . . potential investors should know about. So there was a mind set post-privatisation to want to consult local authorities and neighbours less and to say much less about what the airport business was doing.”

Presumably one can assume this focus on the primacy of shareholders impacted decision-making considerably. However, the dominance of a capitalist logic does not imply an increase in environmental impact, as one airport respondent pointed out::

“It actually doesn’t help us financially to have any more impact or any more cost than is absolutely necessary.”

Indeed, from individuals affected by airport development, the capitalist logic was noticeable in those whose homes were under threat of compulsory purchase. An airport respondent said that a,

“property valuation scheme was developed. There was a lot of opposition to the scheme and there was a huge expectation about what the airport would offer in terms of how they buy properties.”

A statement made by Flybe in their response to the government’s consultation document ‘*The Future Development of Air Transport in the United Kingdom: National consultation*’ (June 2003) highlights the conflict between competing logics in the aviation sector:

“The second major obstacle to the sector’s successful development is marked by a simple distinction between airlines and airports – between highly deregulated commercial activity in the skies, and over-regulated, often monopolistic, practices on the ground. This contrast grows ever more stark, as the impact of low-cost and low-

fare airline models on pricing structures and routing options leads to an increasingly competitive market for passenger travel.

Comparable deregulation is yet to take place among airport operators and the services they provide, to airline and passenger alike.” (Flybe.com, p. 9)

The statement indicates the capitalist predisposition of the airlines and its juxtaposition with the continuing tendency towards the bureaucratic state logic of the airports. However, in this document, Flybe harness the bureaucratic logic on a number of occasions. In a general comment about aviation, they say:

“Air transport has a crucial role to play in delivering regional economic development, and in attracting inward investment to the regions.” (Flybe.com, p. 12)

As a low-cost carrier using regional airports, Flybe continue on a point about the loss of regional routes:

“This depletion in services to the regions is inimical to regional economic development and damaging to the long-term prosperity of the UK as a whole.” (Flybe.com, p.12)

Making a plea for increased commercialisation of the airports, they assert:

“Flybe. strongly believes that greater commercial freedom for airports – from liberalising opening hours to extending the range of services they can provide – would generate increased economic benefits and help to sustain the growth of the UK aviation sector.” (Flybe.com, p. 9)

However, Flybe believe this increased commercial freedom should be tempered by,

“granting the regions a ‘ring-fenced’ number of slots for any new runway capacity” (Flybe.com, p. 12).

Again harnessing the bureaucratic logic to further a capitalist interest in the operation of regional airports, Flybe discuss the role of Regional Development Agencies (RDAs), saying they,

“have a valuable role to play in safeguarding the ‘guarantee of access’, and flybe proposes that ‘ring-fenced’ regional slots should be owned by RDAs for new runway capacity, as opposed to only being available to those with an Air Operators Licence, as is currently the case.” (Flybe.com, pp. 12-13)

The Flybe commentary is not confined to Birmingham Airport but pertains to all airports used by the airline.

As indicated by the Flybe position, key purveyors of the capitalist logic are the airlines, and because ultimately as airport users the airlines pay for infrastructure improvements, they clearly have an influence on decision-making. However, according to a Manchester Airport respondent, getting this important group of stakeholders to comment on draft master plans *“was incredibly hard”*. Whilst involving airlines in consultation is problematic, base carrier airlines with more invested in the long-term may well become more involved in the master plan process. For example, an airport respondent said:

“British Airways’ contribution to Heathrow’s T5 was very, very different to their contribution to our second runway. It’s just that level of interest that particular airline has in the very long-term of that airport.”

The requirements of different types of airlines are also different and a change in dominance of a particular type of airline can upset decisions made about land use. An airport respondent reported that where scheduled carriers may require a, *“big full service terminal, air bridges, everything else”*, low cost carriers’ requirements are completely different and focus on cost.

In line with the other case study airport respondents, managers from London City talked about the conflict between the airport's long-term planning horizon and the airlines short-term view. Because of this,

"they are part of the consultation process but we tend to be a bit wary about their responses to the big strategic consultation."

Indeed, a summarising comment from one respondent talking about airlines was,

"They want it all but they don't want to pay for it".

This same respondent said:

"Airlines believe that airports are bits of state-owned infrastructure, which should be provided for free."

Airlines can be,

"very disruptive to the process" although it was noted that, "Airlines don't have a veto about capex [capital expenditure] but you are foolish if you don't talk to them and seriously try and engage their views."

One of the respondents said:

"my assumption always was that the airlines – Easyjet and Ryanair – were against SG2 partly because SG1, where Ryanair had 65% of the slots and Easyjet had 25% of the slots, without runway two they could increase their yield and be more profitable for a lower volume."

The respondents from London City were the only airport managers in the study group to admit to considering the consultation process as, at least in part, a marketing exercise and to actively lobby their *"friends"* to put their weight behind the airport management. In terms of their relationship with government, they consider themselves *"investors"* in London:

“We don’t take any money from them - we give them money”. Not only that but “we stimulate other people to give them money. So we attract so much inward investment.”

Moreover, the airport would not have been built without,

“the courage of private sector investors. It would never have been publically owned. Private sector investors to put their money at risk and indeed lose it, which they did but that brought it about or it never would have happened. And my suspicion is that this area would have been still a wasteland if that hadn’t happened and there would have been 25 years of new master plans for the area but nobody would have built anything.”

6.5.2 Bureaucratic state

Definition: *“Rationalization and the regulation of human activity by legal and bureaucratic hierarchies”* (Friedland and Alford, 1991, p. 248).

One of the most significant manifestations of the bureaucratic logic at work was evidenced by the 2003 White Paper, *The Future of Air Transport*. Published by the Department for Transport under Labour, the government recommended additional runways at a number of sites including two of the case study airports in this study, Birmingham and Stansted. This despite the fact that, since the 1986 Airports Act, the government are no longer involved in building airports (Department for Transport, 2003). The underlying assumption seemed to be that the bureaucratic need for increased capacity at UK airports to grow the economy and create jobs would complement the capitalist logic of wealth creation. However, neither Stansted nor Birmingham was operating at capacity, either in 2003 or indeed now in 2013, and airports generate maximum return on investment when run at capacity. The underpinning logics of the arguments therefore conflicted over the building of additional runways. Both airports went to consultation with second runways in their master plans and both experienced considerable opposition from local people.

Managers at Birmingham Airport recognised the “disconnects” between the capitalist and bureaucratic logics involved in attempting to comply with government’s desire for a second runway. One Birmingham respondent declared:

“that actually starts to get us into quite a bit of hot water.”

He was particularly explicit in describing the essence of the conflict between the bureaucratic, capitalist, and indeed the democratic logic. He said:

“Is this airport important for shareholder value or is it important as an economic driver of the region? That’s where we started actually and because of the ownership of this airport with seven local authorities owning 49%, there is a very strong desire to recognise that this airport actually is an economic driver of the region. Any dividend that does get paid and goes back to the local authorities clearly subsidises the rates bill so local people really do have a stake in this airport.”

Managers at the airport eventually resolved the dilemma by revising their traffic forecasts, “behind the scenes”, which, “took the second runway out of it up to 2030”.

Like Birmingham, proposals for a second runway at Stansted emanated from the government’s 2003 White Paper. According to the respondent from the DfT (Airport Stakeholder Consultation), Stansted,

“was a bit of a sop until they had time to work out how they could deal with the noise and air quality issues when purely on an industry basis everything pointed to Heathrow and Gatwick”.

Indeed, this respondent said:

“the one model run that was never allowed was one where we shut Heathrow.”

The reasoning for this was:

“Because there was institutional pre-disposition to a Heathrow runway. Basically the senior civil servants decided that there was going to be a runway at Heathrow.”

When asked why the continued dominance of Heathrow had become institutionalised, the respondent said:

“at the time BAA had a very strong lobbying operation and they courted the senior civil servants assiduously and in an environment where an even more powerful issue than runway capacity was the private sector must run airports and must pay for airports. This pushed them to the view of what was deliverable first and foremost. And it is undoubtedly the case that the most deliverable project airport-wise in the UK is a runway at Heathrow. The funding institutions would queue up. If you look now at Heathrow’s shareholder make-up you have got some of the biggest sovereign wealth funds in the world. It is a piece of cake to build a runway.”

However Stansted Airport management went along with the government’s desire for a second runway and consulted on a variety of potential locations even though without pressure from government via the 2003 White Paper they *“would never have done it”*. By the time they had completed the lengthy consultation process the political tide had changed. The former BAA Board member said:

“It was certainly not clear at Heathrow what the government really wanted because the 2003 White Paper made it clear the government thought the runway should be at Stansted and probably not at Heathrow but three years later the same government, same political persuasion said no we don’t want to do Stansted, we want to do Heathrow.”

He emphasised this change of policy, saying:

“The whole process changing from Stansted first to maybe Heathrow later to got to do Heathrow and nothing else took place completely outside the master planning process.”

In terms of master planning, the BAA Board member said:

“I think there is a bit of confusion on BAA’s part about what this master planning process was really about.”

He explained:

“it was a process that was always fractured by the fact that there was a separate government policy going on. If you are asking what stakeholders thought about it, the real consultation was going on with the local authorities and the airlines”.

However, this respondent pointed out that whilst,

“the important conversations were with local authorities and airlines” there is an imbalance of power in favour of the airports.

He said:

“Local authorities are not particularly resourced to deal with the issues. If you are working for a district council – one of only half a dozen people in the planning office - and you get an organisation like the BAA giving a very complex and thoroughly considered and educated analysis, it is actually quite difficult for you to engage with that. And the airlines these days, the low cost airlines in particular, they don’t have departments that do that kind of thing.”

BAA withdrew the planning application for the second runway at Stansted in May 2010 following the Competition Commission’s ruling that the airport should be sold. According to one Stansted airport respondent, the abortive exercise had cost,

“hundreds of millions. And there aren’t many companies that could support that. All we were doing was following policy that was clear and up-to-date. What we hadn’t expected was that the government came in and ripped it up. They completely disembowelled the capacity argument within the White Paper, hence the reason why they are now trying to resolve that to come up with a clear policy but what is that policy because it’s not stated anywhere?”

Whilst their relationship with the local authority was significant, stable and positive, respondents at London City Airport were also disparaging about central government’s role and appeared relatively unmoved by the bureaucratic logic generally. A London City Airport respondent said of central government,

“they don’t pay us much attention and we don’t take any notice of them”.

There was a strong feeling at London City Airport that the privatisation of airports had been a good thing:

“People are often very rude about privatisation and why it did or didn’t happen but it worked a treat with airports because it took them off the public purse, didn’t require any capital investment from government. All the government had to do was be regulatory, which they love of course.”

Nonetheless, one London City Airport respondent acknowledged that privatised airports are perceived to preference the capitalist logic over the bureaucratic. He said:

“I kind of think that a local authority-owned airport is likely to be able to say we are doing this for the good of the area rather more easily than a private sector owner who will, amongst the objectors, be permanently cast as money-grabbing and just doing it for a profit and laying waste to the local area.”

London City had made the most of harnessing the capitalist logic to defray the bureaucratic. They had endeavoured to get their “*friends*”, who were the,

“big industry lobbying bodies, the CBI, the London Chamber of Commerce, London First, and other organisations of that ilk”

to add their voice to the argument. The North-South divide may also affect the strength of the bureaucratic logic and the former DfT Airports Policy respondent said:

“I do think there has been a difference between London and other places, which I think is because of Heathrow and even Gatwick have the rich lobbying around them. In Manchester and places they are relatively poorer communities and are more concerned about wealth creating, as they haven’t got the wealth that is pouring into the South East relatively.”

In direct contrast to the London City approach to decision-making, where the capitalist logic dominated, decision-making at Manchester Airport seemed driven by the bureaucratic logic. Managers frequently referred to their ownership, which they believe gives them,

“a slightly more ethical way of doing things perhaps, the fact that they [the master plans] all have sustainability in its widest sense at their heart, which is the three pointed environmental, social, economic. I think they are pretty balanced in that way.”

In contrast, one of the London City Airport respondents pointed out that governments are not taking a firm enough hand in influencing decisions in the aviation sector. He said:

“At the moment there is not a realistic alternative source of fuel but one day there will be. But if governments were serious, which they are not, they would put much more stringent taxation arrangements into place to tax out noisy aircraft and incentivise quieter ones.”

There is not enough being done on that front and there has been no progress really since the 1980s.”

The retired DfT Airports Policy respondent said:

“Government used to consult less when I started in 1965. In a rather more French way, we used to decide what we needed and then do it. Often I would look at consultation responses and think well, I haven’t seen a single new thought here. But I’m a bit from the Whitehall knows best school perhaps. Consultation became a requirement. If the private sector can’t show they have consulted, then they are not going to get planning approval. It has become a necessary stage in getting planning approval.”

Indeed, the need to gain planning permission for infrastructure development provides a significant demonstration of the bureaucratic logic at work. Initially, master plans held sway with local authorities and their planning departments. Although master plans were not compulsory, according to a London City Airport respondent, airports,

“were subjected to enormous pressure by civil servants and politicians to actually fall into line and have one”.

As such, a number of respondents acknowledged the local council planning committee as a dominant stakeholder. The reason given by one Birmingham Airport respondent was,

“because they would be the ones that make the decision on the planning applications surrounding anything we do later submit”.

And according to one London City Airport respondent, at that time,

“the purpose of the master plan was to get the development of the airport integrated into the local development frameworks, area action plans”.

Local authorities in Birmingham, Manchester and London City recognised the economic benefits of their airports, with one Birmingham manager saying they,

“recognised that this is one of the only games in town. We are a major employer.”

Birmingham and Manchester Airports seemed effective in managing their relationship with the local authorities and had close involvement with local authority planners from the outset of the master plan exercise. However, a respondent from Birmingham Airport felt Manchester had an advantage in the way the local authorities pull together, overcoming political differences to ensure the success of the city. He said:

“the perception is that Manchester over the years, if they have battled, it’s behind closed doors and they just get on and do it and they value its [the airport’s] ability to generate their economy. And I think that the proof of the pudding is in the eating frankly because Manchester is half the size of Birmingham yet people’s perception is it’s the second city, I would suggest.”

By contrast, there was a history of political wrangling between Birmingham and the Black Country, resulting in the West Midlands suffering economically as,

“it does not see itself as Greater Birmingham being the driver with everyone else benefiting from it in the same way, frankly, as people do in London, people do in Manchester”.

Under the coalition Government, a number of agencies such as the Regional Development Agencies, were disbanded. Associated with this, airport managers at London City felt the status of master plans had been downgraded, making it,

“very difficult to achieve the planning status with the planning authority, which was what we thought was the most valuable thing that came out of the process, which was that for the first time ever there was something in the local authority’s structure plans that

acknowledged the ambitions and the intentions of the airport in their back yards.”

Indeed, whilst master plans were still seen as important, one Manchester Airport respondent said:

“getting the development intentions into the formal planning process intentions” was the overall goal as, “unless we have got it into our formal planning document it’s effectively not worth a bean, to be honest”.

6.5.3 Democracy

Definition: *“Participation and the extensions of popular control over human activity”* (Friedland and Alford, 1991, p. 248).

References in the airport manager interview transcripts to the democratic logic were generally embedded in the notion of ‘consultation’, particularly with reference to local people. All airports have a community relations department of some kind. However, getting the public to participate in the consultation process was difficult, with all airports experiencing little response to their master plan consultation. For example, Manchester Airport received 83 responses from their stakeholder consultation, which had involved sending out several thousand copies of the draft master plan, 4,000 summary brochures, and 400 full sets of all documents. One of the airport respondents said:

“I would say that, the problem with it is that, there’s a lot of thinking about localism and planning at the moment and I don’t think it corresponds to what happens when we do master plans. It’s very much what we’d like to happen but it never quite happens somehow. Now, that’s more as a result of people’s unwillingness to involve in the process than it is in us beginning the process sometimes.”

Stansted too had widely publicised their draft interim master plan consultation but received responses from only 13 organisations and six individuals as a direct result. One respondent said:

“It was just over one quarter of one percent responded”.

London City received 23 responses. It seems only people with particularly strong opinion about airports generally or those who would be directly negatively impacted made their views known. Confirming the Birmingham Airport manager’s view that,

“Noise preferential routes are something that people hold very dear to themselves”,

a respondent from London City said:

“the noise and the intrusion are the whole thing that matters to the voter”.

So whilst airports generally had a low response rate to their consultations, responses to planning applications could be much higher. Distinct differences between the master plan and any subsequent planning application were noted. In the former, a London City Airport respondent said:

“You are looking for a range of opinions rather than weighing them in the balance [whereas in the latter] you are actually looking at weight of number as opposed to general opinion.”

A London City Airport respondent explained this by saying that,

“A master plan is aspirational: It isn’t actually giving you permission to do anything” whereas planning applications were, *“Turning vague ideas into reality”.*

In contrast to the motivations of airport management, elected government officers, particularly those in the Department for Transport, have an eye on re-election as they make policy. The DfT Airports Policy respondent said:

“it’s a difficult job being Secretary of State for Transport because you quite like long term projects but they don’t come to fruition in your time.”

In terms of dealing with these long-term issues, he said of Secretaries of State that,

“some of them have decided not to take up the challenge and some others have”.

Indeed, in terms of democratic choice, this respondent was of the opinion that,

“it was a government policy recognition that the package holiday to Majorca or Spain or Greece or wherever was now seen by people as a necessary part of their expenditure. The people who were quite strapped for cash would cut back on other things rather than lose their holiday in the sun. People wanted that . . . even though the means are going to be unpopular with the percentage of the population who would get more noise.”

Respondents at London City Airport were the only managers to specifically mention democracy, with both respondents recognising the conflict between the democratic, capitalist, and bureaucratic logics. One of these respondents said:

“Our democracy, particularly in planning, is very democratic and at one level one should praise that as a wonderful thing until it starts to affect the thing that you want to do.”

The other London City respondent took this theme further, expressing the feeling that community and council leadership in particular tended to reflect the wishes of the community because of their desire for re-election rather than, *“leading the community”* and *“taking brave decisions”*. This ultimately, *“drives everything down to the lowest common denominator”*. At Stansted, one respondent, frustrated by the lack of public participation and by how disruptive the airlines had been to the process said:

“There has to be a real question mark over the validity of the entire process. I’m not saying it was wrong to do it - I’m not saying that. What I’m saying is, when it’s seen in that context you really do have to question whether the value of it is in proportion to the effort.”

Interestingly, it was a respondent at privately owned London City who acknowledged the need for airports to,

“fully embrace the environmental impact of their operations”

and that environmental objectors, rather than,

“being the work of the Devil”, “might actually have a very valid line of argument”.

He pointed out that,

“if you end up in front of a planning inspector, he’s going to listen to the argument from environmental campaigners”.

This same respondent talked about why environmental issues were not being addressed globally. He put this down to,

“very successful lobbying by the aircraft manufacturers” and said, “if governments were serious, which they are not, they would put much more stringent taxation arrangements into place to tax out noisy aircraft and incentivise quieter ones. There is not enough being done on that front and there has been no progress really since the 1980s.”

Airport managers were mindful of the need to get their procedures for consultation right. The focus of a ‘correct procedure’ was on the consultation process rather than on the subsequent decision-making process - whose opinion to incorporate and whose to ignore. One Birmingham Airport respondent said:

“you’ve got to be absolutely spot on with procedure because we don’t want to end up at the end of this and find someone tries to trigger a

judicial review, especially once you've incurred the lion's share of expenditure".

6.5.4 Relative influence of institutional logics

There were notable differences in how the four airports preference institutional logics. Respondents at Manchester Airport used no capitalist-based arguments, basing their decision-making on the bureaucratic logic, whereas respondents at London City gave the overriding impression that the capitalist logic was the key institutional influence. London City respondents appeared relatively unmoved by the bureaucratic logic generally and were disparaging about their connection with central government although their relationship with the local authority was stable and positive. Whilst clearly committed to engaging with their stakeholders, London City had made the most of harnessing the capitalist logic to defray the bureaucratic and were the only airport to have considered the stakeholder consultation, at least in part, as a marketing exercise and to have actively lobbied their 'friends' to support them. It was however a respondent from London City who acknowledged the democratic logic and that airports had not, *"fully embraced the environmental impact of their operations"*. He felt governments should do more through taxation to encourage noise reduction in aviation.

Managers at Manchester Airport frequently referred to their public ownership, which they believe gives them, *"a slightly more ethical way of doing things"*. At Stansted, a respondent noted a distinct change associated with the three types of ownership the airport has had: BAA as a nationalised industry, as a public limited company, and under independent shareholder ownership. Respondents at Manchester said their organisation falls in line with the master plan whereas at Stansted, shareholders took more notice of the Capital Investment Plan. Birmingham Airport respondents had noticed a difference between full public ownership and part privatisation, and also between their two private sector owners. With the first, there had been a clash between Macquarie's rather short-term view and the long-term planning horizon of the public sector

investors. Time frames were also the source of problems between airports and airlines, where the short-term view of the airlines (except base carriers such as British Airways at Heathrow) was at odds with the airport's longer-term planning view.

Whilst respondents from both Birmingham and Stansted airports had been vexed by the prescriptive nature of the 2003 White Paper, *The Future of Air Transport* and the proposal of second runways at each airport, they had handled the situation very differently. At Birmingham, managers had revised forecasts to demonstrate no requirement for the second runway. At Stansted, managers went along with the government's desire for a second runway, consulting and submitting a planning application. However, without pressure from government via the 2003 White Paper they "*would never have done it*". Indeed, publication of the 2003 White Paper provided one of the most significant manifestations of the bureaucratic logic at work. The underlying assumption that the bureaucratic need for increased airport capacity to grow the UK economy would complement the capitalist logic of wealth creation had not necessarily been the case, particularly for airports operating at less than capacity.

Arguments specifically based on a capitalist logic were noticeably absent from the legal cases analysed. Privatisation was meant to benefit airports by freeing them from government control and improving financial management. However, privatised airports, with an overriding objective to generate a profit from their operations, are far from free from government control but are at the mercy of local authority decision-makers each time they apply for planning permission. Stansted Airport's situation with their second runway planning application provides a clear example of this.

The planning permission process for infrastructure development demonstrates a further key bureaucratic logic at work. Master plans initially held sway with local authorities and a number of respondents acknowledged the local council

planning committee as a dominant stakeholder. However, under the Coalition Government formed in 2010, airport managers felt the status of master plans had been downgraded and focus returned to obtaining planning permission. Manchester and Birmingham airports had close involvement with local authority planners from the outset of the master plan exercise and had been successful in their planning applications. London City too had made five successful planning applications in the Labour-run London Borough of Newham and had a good relationship with their planning authority. On the other hand, the Conservative/Liberal Democrat authority had rejected Stansted's second runway application, making great play of questioning central government policy. One respondent said:

"Our authorities had banners draped over the top saying absolutely no to a second runway. The bin lorries painted up with "no way to G2" written on them even before the application had been submitted."

Managers at Birmingham Airport recognised the "*disconnects*" between the capitalist and bureaucratic logics, with one of the respondents explicitly describing conflict between the institutional logics, particularly the conflict between increasing shareholder value and being an economic driver for the region. In contrast to the capitalist and bureaucratic logics, references to the democratic logic were generally rooted in the notion of 'consultation', particularly with reference to local people. However, public participation in the airport consultation process had been sparse and only those with particularly strong opinions had made their views known. Respondents at London City Airport were alone in specifically mentioning democracy, recognising the conflict between the democratic, capitalist, and bureaucratic logics. In addition to democracy potentially frustrating the capitalist desire for development, the respondent felt that community leadership, because of the continual focus on re-election, tended to reflect rather than lead the wishes of the community.

Most airport respondents seemed frustrated by the lack of public participation in the process. At Manchester Airport, one respondent felt that “*people’s unwillingness to involve in the process*” hampered the efforts made to align master planning with the general trend towards “*localism and planning*”. He made it clear that,

“it’s not necessarily our fault or the fault of the master plans, it’s just a general difficulty with engagement”.

A Stansted respondent, discouraged by lack of public participation and by the disruption airlines had wrought, questioned the entire process of stakeholder consultation and what, “*the value of it is in proportion to the effort.*”

6.6 Decision-making processes at case study airports

The second *a priori* theme considered the range of possible decision-making strategies airport managers could elect, either consciously or sub-consciously, to employ as they decide on the changes they will make between draft and final master plans. As discussed in Chapter 4, the literature on stakeholder, institutional, and planning theory suggested four potential strategies managers might take in selecting a decision-making process of changing their draft master plan when confronted by stakeholder opinion gathered through consultation. These are:

1. Institutional pressure: Managers will conform to the taken-for-granted norms prevailing in the airport sector to optimise their legitimacy and credibility.
2. Loudest voice/salient stakeholder: Managers will respond to stakeholders with power, legitimacy, and urgency.
3. Equilibrium: Managers will seek a mid point between the views of all stakeholders, who must therefore lose ground on their optimum position.
4. Innovation: Managers will strive to find win-win solutions to the problems stakeholders raise during consultation.

6.6.1 *Institutional pressure*

Questions 6 and 7 on the airport manager interview schedule (see appendix 7) referred directly to the institutional pressures on airport managers. The first of these asked whether there is a widely accepted or even taken-for-granted way of handling stakeholder consultation in the master plan process. The second asked whether the respondent did anything differently in their decision-making process from what was considered to be the norm in the airport sector. In addition to these questions, coding under this theme also covered the entire data corpus. Table 6.7 provides a summary of the responses to the specific questions about institutional pressure.

Table 6.7 Comparing answers to questions about institutional pressure

Source	Q6: Is there a widely accepted process for consultation?	Q7: Did you do anything different from the norm?
MAN 1	No	Yes – planning takes a different approach to the rest of the organisation
MAN 2	No	Yes – we like to do things differently
BHX 1	No	No norm
BHX 2	Yes	Yes – more local communication and meeting with environmental pressure groups
STN 1	Yes	No – <i>“the stakeholder engagement bit of it I think is pretty clear. Also the internal decision-making process within BAA I think is pretty well tried and tested.”</i>
STN 2	Don't know	Yes – <i>“We did it well!”</i>
LCY 1	Yes	No
LCY 2	No	No norm

Analysis of the institutional context of each case study airport follows the work undertaken as part of Chapter 3 to establish the institutional setting of the airport sector as a whole prior to the 1986 Airports Act and privatisation. It should be noted that this is not a study of organisational culture. Analysis of the institutional backdrop of the airport sector in general and individual case airports are restricted to the impact on decision-making.

6.6.1.1 Manchester Airport

As previously described, the Manchester local authorities unusually managed to retain control and ownership of the airport during and after WW2. They were

therefore able to ensure development of the airport during the war was in line with their aspirations for future civilian operations. The holding company, MAG, has been successful in growing operations at Manchester and in expanding their presence throughout England following acquisition of Bournemouth, East Midlands, Humberside (now sold), and London Stansted Airports. Manchester City Council owns 55% of the shareholding in MAG with the other Greater Manchester authorities having a 5% ownership interest. Analysis of the airport interview transcripts identified a feeling that the prevailing institutional context or social structure pertaining to the case airport was derived from the public sector ownership, with *“some public sector ethos flowing through the business”* and differed from the *“ethos”* or social structure acting on other airports. It was clear that airport managers believe there is a *“Manchester Way”*, which is, *“that we like to do things differently.”*

The communities around Manchester Airport went through a tremendous struggle to oppose the second runway in the 1990s. Since then, it seems the operation of the airport has become very much more taken-for-granted. This was attributed by airport managers to *“continual dialogue”* and,

“because we had been doing this over a number of years and we’d been out in the community then there was a lot of sort of, yes, you told me this last time.” Indeed, *“We had been having that dialogue for a long time so we were just able to stick a CD of all of this and stick it in the post and tell people this is what we are doing.”*

However, *“It’s still a really hard conversation”* although perhaps not as hard as at other MAG airports, where the consultation process is not so institutionalised with stakeholders, particularly local communities and local authorities.

Indeed, the situation was seen to be very different,

“At say Humberside, when the master plan came around it was, what the heck is all this about?”

However, it seems that other local authorities in which MAG airports lie were pacified by their public sector ownership and an impression that their institutional contexts would align. One airport respondent said:

“I think the fact that we are owned in that way gives them some comfort that there is at least a kernel of ethical approach within the organisation. And I think that helps it in talking their language for a start and understanding their language and understanding the pressures they come under and then it’s our job to educate them as to the sort of pressures that we come under as well.”

In terms of decision-making, the greatest influences appeared to derive from managers’ alignment with the planning process. It is,

“Because of the planning relationship and the role that we have within the organisations” that gives managers the skill of, “intuitively knowing what you can and can’t and should and shouldn’t take on board and what is of value to take on board”.

This ‘intuitive knowing’ was distinguished from a “*formulaic process*”, which the Manchester Airport managers declared did not exist in decision-making in this context.

The level of institutionalisation of the process of consulting and subsequent decision-making seemed deeply ingrained. This was evident when one airport respondent made reference to the government guidelines. He said:

“we had got a history of developing these sorts of strategies anyway: It was a bit like teaching grandmother to suck eggs”.

He reinforced this impression by saying,

“we adapted it and fitted it into the way we have always done things and the way we expected to do things”.

Nonetheless, there is no doubt external influences do impact on “*The Manchester Way*”, however deeply ingrained. In particular, one airport respondent felt that,

“the outside world agenda had changed in terms of CSR [corporate social responsibility] and all that sort of stuff. So, again, that was the way business was going and it made sense we do the same.”

He pointed out that this seems to be the case throughout the airport sector, with airports now having community trust funds and being involved in a variety of community activities.

One of the Manchester Airport respondents talked about their ability to interpret and move with external institutional pressures. He said:

“you pick up signals, be they commercial signals, be they government signals or whatever, so changes don’t necessarily come from one source and it’s not such a black and white exercise as you might think.”

Perhaps the most striking example of institutionalisation, in contrast to the other case study airports, is that the planning department – those responsible for the master plan – are key players in the business. This seemed to occur to one of the airport respondents, who said:

“It’s remarkable actually, how much the business falls in line with what the master plan has come up with as the preferred approach and our business plan is therefore the master plan in terms of capital delivery”.

6.6.1.2 Birmingham Airport

Birmingham City Council, once sole owners of the airport, now own 49% and are in partnership with private investors with 48.25% and the Employee Share Trust with a minority holding of 2.75%. This public/private partnership arrangement came about following restrictions on public sector borrowing in the 1990s. It commenced in 1997 with buy-in from Aer Rianta in partnership with

Nat West Equity Partners, who together took a shareholding of 40%. The Nat West holding transferred to the Macquarie Airports Group, who acquired a 24.125% share of the airport. However, in 2007, Macquarie and Aer Rianta sold their 48.25% to Ontario-based Airport Group Investments Ltd (AGIL). The Birmingham Airport respondents noted a difference between the involvement of Macquarie, who had a short-term strategic view, and AGIL, who take a much longer-term view.

Specifically, the airport respondent said:

“Looking at the other ownership, AGIL, which is Ontario Teachers Pension Plan and Victorian Funds Management Corporation, they clearly have a long-term horizon and want to see a business plan that’s actually going to come out and work in the longer term.”

Indeed, he said:

“I mean we talk about 2040 and beyond”. He compared the current situation with the previous position, saying, “with Macquarie I think there was a desire to deliver benefits earlier - in the short term. That may be very, very difficult because how can you plan if you can’t get your shareholders to sign off the plan?”

In fact, he said:

“For 10 years, there was not an approved business plan at this airport.”

Birmingham Airport was under considerable pressure from the Government (through the 2003 White Paper) to increase capacity with a second runway. Indeed, they went out to consultation with the second runway in their draft master plan, which created much angst and drew heavy criticism from the local community. Possibly in part due to this reaction but largely for financial reasons, the airport owners were against construction of a second runway at this time. To deflect pressure from government, airport management produced “revised” forecasts, which, “took the second runway out of it up to 2030”. This response

to government policy went against the wishes of the airlines, expressed by Flybe in their response to ‘*The Future Development of Air Transport in the United Kingdom: National consultation*’ (June 2003). Flybe said:

“In the Midlands, for example, flybe. believes that the region’s economic development can be enhanced by promoting Birmingham International Airport as a major regional base, with the extension of the existing runway and development of a short second runway.”

(Flybe.com, p. 7)

It should be noted that the master plan under review for this study was undertaken during the ownership of Macquarie Airports. It is interesting to note that whilst plans for the second runway were dropped for the 2006 master plan, proposals for the development have now re-surfaced. In June 2013, under the ownership of the local councils and now AGIL rather than Macquarie, plans to put in place infrastructure that would allow passenger traffic to increase from nine million to 70 million were announced.

Like Manchester, Birmingham Airport seemed influenced by the planning process, although not so strongly. There was a general feeling of taken-for-grantedness about the whole consultation process, particularly the engagement with local communities, which derived from the original local authority ownership. Flybe, however, seemed less than enamoured by the planning process, saying:

“flybe. believes that reform of planning procedures is now urgently required.” (Flybe.com, p. 7)

6.6.1.3 Stansted Airport

Stansted Airport was constructed during WW2. In 1966, control of the airport passed to the British Airports Authority, which was de-nationalised following the 1986 Airport Act. In 2006, Ferrovial acquired a majority share of Stansted and all BAA’s airports. The airport therefore experienced a change from a nationalised industry to a de-nationalised airport with a diverse shareholding

and then to private ownership by a Spanish holding company. One of the airport respondents had been involved with the airport during all three of these phases of ownership. He was very clear that the institutional pressures during each of the phases had been different. For example, after de-nationalisation user consultation had become a,

“very high priority, right at the top of the pecking order [and] the amount of consultation and the amount of information we supplied was infinitely greater than as a nationalised industry to users”.

This airport respondent was keen to point out that, during this time in the UK, consultation had also become increasingly institutionalised generally. He said:

“Bearing in mind these processes have also evolved a great deal over that period of time, where nowadays much more importance is attached to stakeholder engagement than was the case 30 years ago now, so this has got to be seen against that backdrop.”

This was similar to a remark from a Manchester Airport respondent. However, increasing consultation was contrasted with a reducing amount of corporate information provided to the public, potentially creating an imbalance in information and therefore power in favour of the airport owners. This airport respondent said:

“Up until privatisation, there’s a wealth of information provided about what the business was up to and what it was doing and what it was thinking. Then look at the 1988 version or the 1989 or 1990 version and there’s very little information in there other than financial information for shareholders.”

The former BAA Group Planning and Regulatory Affairs Director said:

“We didn’t actually think the process of statutory master planning that was proposed by the government as part of its 2003 White Paper was ideal anyway”

although the airport had gone along with the requirement. He explained the airport's issue as being particularly with the government's traffic forecasts. He said:

"The Government decreed that everyone should prepare a master plan and they should use the government's traffic forecasts, which were just wrong. They are produced by a modelling forecast system called SPASM, which describes it quite accurately, which produces some very odd numbers. We were told to use these numbers but by the time we started doing our master plan everything had changed anyway. . . . They were effectively asking us to produce master plans in line with government policy but the policy in some cases was quite unclear".

A respondent who had worked on the 2003 White Paper supported this view. He said:

"The weakness of it [the White Paper] was that there was over-reliance placed on a theoretical economic model and there was not enough understanding developed of airline behaviour. There was no behavioural modelling. I did some work based on airline gaming, which came up with some very different answers and people didn't like the answers."

Decision-makers at Stansted seemed less driven, institutionally, by the planning process than either Manchester or Birmingham although,

"there was still a recognition within the company that what the airport was intending to build on its master plan very often would need planning permission. I think the most pejorative way to put it would be to say it's making a virtue out of a necessity."

In fact, according to an airport respondent, the airport seemed much more reliant on consultants, including *"very highly paid Planning QCs who make sure the consultation is effective"*. Indeed, one of the airport respondents pointed to

a difference in the institutionalised views of local authorities and airport management with regard to master plans. He said:

“In my experience the local authorities attach quite a lot of importance to airport master plans. And my perception is that . . . they see them as analogous to a local plan because . . . if something is permitted in the local plan you are going to get planning permission for it. . . . I think in BAA, airports see master plans as an idea at a snapshot in time as to what their then intentions are about how the airport might be developed and expanded. But because their experience is that factors will come along . . . to cause them to change their mind and because no hard and fast investment decision hinges on what’s in the master plan, I think that airports see them as a useful guide . . . as to something you are currently thinking you might do that isn’t necessarily what you will end up doing. So we have a different status in people’s minds.”

The prevailing institutional assumption described by one Stansted Airport respondent was the managers’ prerogative to make decisions based upon,

“the criteria that we’ve set ourselves and those are the criteria that are right.” And, *“in the end, we stuck with our approach, we stuck with our value judgement across this range of considerations and we improved upon it where we could.”*

However, the other airport respondent at Stansted was at pains to describe the process of “optioneering” where,

“you have to start without any preconceived ideas – you have to clear your head of those – because to have preconceived ideas means that you are likely to fail because you will be found out in an inquiry.”

There was a firm belief that managers’ value judgements were a better approach than a more systematic system, such as a balanced scorecard

approach. The first airport respondent struggled to explain this taken-for-granted assumption. At one point he said:

“I keep coming back to value judgements but I think at its heart, which doesn’t make it easy to describe – for you to describe somebody else’s value judgement – but I . . . that’s what it is.”

Part of his justification for personal value judgements relied on “*belief*” and he said:

“I’m not saying we were always right, I’m not saying that. I’m saying we chose to do it and the reason we chose to do it is because it’s what we believed in”.

Nonetheless, the airport respondent was confident in the internal decision-making process within BAA, which he described as “*pretty well tried and tested*”.

6.6.1.4 London City Airport

Constructed by Mowlem in 1986/7, London City Airport has always been entirely under private ownership. In 2006, the current owners of London Gatwick Airport purchased London City. The first two London City CEOs, from its inception until 2012, had both worked at Manchester Airport. Interestingly however, there was a noticeably different social structure at London City from that identified at Manchester.

Managers at London City Airport were the only ones to mention their efforts to,

“get people to say the right things about the airport”.

Indeed, with an eye on the commercial opportunities of consultation, London City viewed their efforts to collect stakeholder opinion as a marketing opportunity. One respondent said:

“This wasn’t a marketing exercise . . . or at least not totally a marketing exercise”.

Like Stansted, London City Airport managers felt it was their right to make decisions based on their own judgement of what was right rather than the Manchester focus on complying with the ethos of the public sector.

There was, however, clear recognition by airport managers that it was important, *“to be seen to take account”*, perhaps rather than actually taking account of stakeholder opinion and,

“there is an element that is ticking the box that says we have to consult”.

Nonetheless, in line with the other case study airports, London City managers recognised the importance of aligning with the planning process,

“to get the airport’s development as a given within the planning development of any particular area”.

A respondent at London City Airport was also mindful, as were other case study respondents, that,

“The whole process of consultation is evolving.”

In a very similar vein to the findings from Manchester Airport, one London City Airport respondent mentioned the benefit of continual dialogue. Because of the length of time (five years) they had been publicizing their proposals for development,

“it wasn’t as controversial as people would have thought. It got into the warp and weft of the way things were done.”

This was perhaps because the repetitive nature of stakeholder communication was,

“a bit like Chinese water torture I guess for some of the local population. But that’s the magic.”

The social structure of the local communities changed since construction of the airport, from a population that was,

“an old, predominantly white working class population who had seen the devastation wrought in the war and the subsequent closure of the docks and that population knew that any sort of investment in the economic life of the area was a better bet than none” to, “middle class people who wear suits sort of population that’s coming in and that’s changing things because they think the airport is great when they want to use it but a complete nuisance when someone else wants to use it.”

Generally though and since the early 2000s, the local community had been in favour of the airport. Quieter aircraft had allowed the airport to,

“become uncontroversial as an operation and this was seen as a natural progression. So I don’t think that it caused surprises: it didn’t frustrate people.”

So institutionally acceptable was the airport that docklands property developers had used its proximity to promote real estate. Business leaders were also supporters for obvious reasons.

6.6.2 Salient or definitive stakeholder

All except one of the eight respondents in this group agreed that they tend to listen to the ‘loudest voice’ – the salient or definitive stakeholder from the literature. A summary of their specific responses is shown in Table 6.8.

Table 6.8 Salient stakeholder summary

Source	Yes/No	Salient stakeholder identified
MAN1	Yes	Local Authority
MAN2	Yes	Local Authority
BHX1	Yes	Shareholders “ <i>but we made sure that we did right by local people</i> ”
BHX2	Yes	Local councils and the planning committee. Local people
STN1	Yes	Airport management.
STN2	No	Not specifically stated but analysis showed airport managers were dominant. Mention of “ <i>Clever people</i> ” with a clear argument. Previous mention of statutory consultees including airlines.
LCY1	Yes	“ <i>The dominant stakeholder of course is the planning authority.</i> ” “ <i>If you go for a compromise, you will always be pulled towards the louder voice rather than the right answer.</i> ”
LCY2	Unclear	Not specifically stated but analysis indicated salience of airport management

By far the most frequently used code under this theme was the manager as the salient stakeholder. All eight respondents made reference to examples of where they or their colleagues were the loudest voice. Five respondents mentioned the local authority and four specifically the planning authority. Respondents from Manchester and Stansted airports referred to airlines as an important stakeholder. Appendix 8 shows the full list of stakeholders mentioned as salient by airport respondents, together with exemplars from the data. Interestingly, the respondent who had written the guidance on stakeholder consultation spelt out the importance of ‘playing the right cards’ with the ‘right people’. He said:

“If you play those cards in the right way then you tend to secure the ongoing support, which you need to develop as a business. If you play those cards wrong or you are not seen to be generating those wider benefits then the rationale for the existence of the airport becomes increasingly questioned and that leads to greater prominence being given to those who are against airports particularly on the environmental side. So it is kind of like the buffer to the environmental argument.”

6.6.2.1 Manchester Airport

Both airport respondents agreed they tend to listen to a ‘loudest voice’ – the salient or definitive stakeholder from the literature. When asked, both said this was the local authority. One of the respondents said:

“I wouldn’t necessarily describe their voice as being the loudest but it’s probably the one that you listen to most.”

He went on:

“I would probably put local members in the local authority basket so they would be the voices that we would listen to the most. Then you’ve got the statutory stakeholders. A lot of airlines, customers, business community, which is a fairly quiet voice.”

When asked if this is because the local authorities were also shareholders he was definite in answering in the negative. He explicated his response by pointing out that the salient stakeholder was the local authority for the other airports in the group, where they were not also shareholders. The reason given was that,

“it’s the planning stuff, it’s the fact that its members are representatives of the local community. It’s a local authority that would be representing its borough or its district or its city from an economic development point-of-view. Local authorities tend to be transport authorities at a county level. So a local authority carries a

whole host of different voices within it that are important and valuable to us to be listening to.”

The other respondent at Manchester Airport, when asked who had caused most of the changes between the draft and final master plans said:

“I think predominantly it is the local authority in which you sit.”

This respondent had a background in planning and his responses indicated a focus on,

“statutory consultees throughout the statutory planning process”.

However, he did seem to differ from his colleague in the saliency of ownership of the airport. He said:

“The City with its major ownership clearly is an enormous stakeholder and there is still an element of compliance with what the Town Hall wants and says because of the 55% ownership issue so you can’t ignore what they’ve got to say.”

Additionally, he mentioned that,

“the immediately adjacent local communities have a very strong input, be it the Mobberley area or the Woodhouse Park local members. So it’s got very close political liaison there, with those two areas that are immediately adjacent to the airport.”

6.6.2.2 Birmingham Airport

Both airport managers said they felt there was a ‘loudest voice’ that they listened to. They disagreed, however, on who the salient stakeholder was. One respondent said that it was their shareholders,

“but we made sure that we did right by local people”.

When asked how they draw up a list of whom to consult, this respondent said:

“We started off with, strangely enough, the stakeholders that were also shareholders. So that was quite important for us because we had to let the shareholders know what we were doing.”

Indeed, he said:

“I think that what we did was clearly at the end of the day we answer to our shareholders”.

The other respondent, like many of the airport respondents, said local councils and the planning committee were the salient stakeholders but also mentioned the importance of local people. Indeed, one respondent said:

“We answer to our shareholders but we made sure that we did right by local people”.

In particular,

“there was lots of opposition from the local community because it would have included a massive buy-out of properties and there was a scheme developed for blight and the property valuation scheme was developed. There was a lot of opposition to the scheme and there was a huge expectation about what the airport would offer in terms of how they buy properties.”

When thinking about decision-making and the needs of local people, one of the airport respondents said:

“We looked at them on merit of cost and what we thought the utility was to the local population. And that started to become something that became the detailed discussion between our planners because there comes a point where, well what do you think to this?”

In terms of local people and health issues, an airport manager said:

“I think you’ve got to go the extra mile in all of these cases, whether it’s a statutory requirement or not because the first thing that people are going to pop up with now is what is the effect on health.”

Analysis of the airport transcripts found a number of references to particular stakeholders. These included politicians:

“They were overflying about six local villages, all with very vociferous MPs and politicians who said no-one asked us about this and the whole thing turned into quite an unholy row.”

The government’s Department for Transport was also discussed, particularly in relation to process, with the airport respondent saying:

“Essentially what you have to do is convince the department that the process you are putting in place for the consultation is one which is fit for purpose. They don’t tell you what to do but you tell them what you’re going to do. So if you like, they don’t want to end up getting the flak again. It used to say something like, “you must consult” whereas now you must satisfy us in advance that the process for consultation is right.”

However, it seemed that Central Government did not have such a strong influence, with the respondent saying:

“What we have made quite clear to government is that, even though it sits within the Green Belt, we’re not going to pop our heads above the parapet and demand that it’s safeguarded.”

Local authorities were seen as important stakeholders for the airport. One of the airport respondents talked about the local authority’s power over land use. He said:

“All the time the 2003 White Paper is active, that runway is still a possibility. And Solihull as a local authority safeguards the land.”

However, he was keen to point to the difference between the master plan and other vehicles the local authority has for exerting control over the airport. He said:

“Even before you get to the Section 106 Agreement¹² part of it. I mean the big things that start to hang out like putting forward public transport for example, planting trees, that kind of thing, that’s the sort of thing you end up with in the 106 Agreement anyway.”

One of the Birmingham Airport managers talked in depth about “showstoppers”: He said of their decision-making,

“I think that the way we did it, as far as I can recall was that we looked at the things that were showstoppers . . . Something that would turn into a fundamental objection and something that would be a denial.”

As with other case study airports, it seemed clear that airport management were the most salient of all the stakeholders. Indeed, managers had revised traffic forecasts so they, “Took the second runway out of it up to 2030”, much against the then government’s policy for aviation.

6.6.2.3 Stansted Airport

By far the most frequently used code under this theme was the manager as the salient stakeholder. Indeed, one of the airport respondents specifically named airport management as the salient stakeholder and said that changes to the master plan were a response to the opinion of management. The other respondent said they did not listen to a dominant stakeholder when deciding whom to take account of as they changed their draft master plan. However, analysis of the data indicated that airport managers were dominant for this respondent.

¹² Section 106 of the Town and Country Planning Act 1990 allows local authorities and other interested parties to agree legally binding planning agreements or obligations with a developer of land.

Respondents from Stansted Airport particularly noted issues with the airlines. As a regulated airport, Stansted is required to consult on matters that involve capital expenditure over a stipulated amount. In line with this, one of the respondents, when asked about salient stakeholders, said:

“The airlines would be uppermost in my mind. The airlines are the people who are going to pay for it and use it and somewhere alongside them, the local planning authority.”

He particularly referred to the low cost carriers at the airport. However, he did point out that,

“Airlines don’t have a veto about capex [capital expenditure] but you are foolish if you don’t talk to them and seriously try and engage their views. So we did try and do that.”

When asked which stakeholders had caused changes to the draft master plan, one airport respondent said that local people had,

“made representations to us in a variety of different ways. In the case of the boundary, it was partly in response to local pressure, partly in response to us trying to ensure ourselves that the boundary was no bigger than it needed to be to take cost and environmental . . . to that extent they were pushing at an open door, if you see what I mean.”

He attributed the extensive offsetting and mitigation scheme to,

“people saying the environmental effects they thought were too high and they needed to be reduced. So it was partly in response to that but to be honest about it, it was more in relation to the advice we were getting from our own ecological adviser . . . who had put forward this significant offsetting and mitigation scheme, which meant that the net adverse ecological effects were much reduced from what they would have been otherwise.”

The other airport respondent noted that, “*clever people*” with a clear argument were most likely to be taken account of.

6.6.2.4 London City Airport

Airport respondents indicated that they do listen to the salient or definitive stakeholder. One of the London City Airport respondents said:

“The dominant stakeholder of course is the planning authority.”

When talking about his reason for not taking an equilibrium or mid-point type approach, he added,

“If you go for a compromise, you will always be pulled towards the louder voice rather than the right answer.”

Analysis of the other airport respondent's data indicated he felt airport managers were the dominant stakeholders.

Like most of the respondents, London City managers talked about the prerequisite endorsement from shareholders before circulating a draft master plan. At London City, a respondent pointed out that,

“a large number of airports are owned by a relatively small number of bodies and there aren't many that have multiple public shareholder ownership. So getting shareholder views is clearly important.”

Major shareholders were therefore seen as salient,

“If they are a shareholder that has a significant shareholding, sufficient to have them individually represented on the Board, then they will have a shout in that debate.”

And conversely:

“The fact that somebody owns point zero, zero, zero, one percent of the asset and they have a different view, well that's not going to carry an awful lot of weight.”

In contrast to the situation at Stansted Airport where optioneering – presenting a number of options at the consultation stage – was the chosen process, London

City Airport elected to present only their preferred option. One of the airport respondents said:

“I suppose a decision that we did take at the outset was not to put out two or three or four different development options but to say this is our proposed route. Do you like it? Don’t you like it? . . . But we didn’t say, well, we could do this or we could do that or we could do something else. We had already made those decisions ourselves and were putting forward our proposed development route.”

When questioned further, he added, somewhat tongue-in-cheek:

“Well, it’s very simple. Those that agree with me are right and those that don’t are wrong. There is an element of that. I think the responses to a consultation will, for the most part, be challenging.”

However challenging, this respondent felt that, as airport managers,

“you have got to have the courage of your convictions. You’ve got to go out there and argue your case and seek to convince people.”

This respondent was adamant that management had a duty to, effectively, act as the salient stakeholder. He said:

“In terms of how it should happen, I believe that airports ought to take a lead. They shouldn’t be looking for the woolly common ground. They should be seeking to advocate and lead forward what is right for the area and advance their case and advance it cogently and advance it in the right arenas and that won’t make you friends. But that’s what you have got to do otherwise we will just sit in a miasma of rubbish because you will end up satisfying no one and irritating everyone because you haven’t developed enough for those who want you to develop more and you have developed too much for those who don’t want you to.”

London City Airport managers had been very active in their engagement with those they saw as key stakeholders. One respondent said:

“We took the major and most influential organisations and briefed them individually – sought individual meetings with them in terms of business representation.”

He explained who these stakeholders were:

“In terms of briefing GLA [Greater London Authority] members and the City Corporation and the Institute of Directors and the CBI and London First and Visit London . . . and the local Chamber of Commerce and and, and, and - all of those. We briefed them individually, we went and did presentations to members groups, we did all of those sorts of things during that consultation process.”

The reasons for this approach were clear, as this London City respondent explained.

“You can actually find your friends and get them to do stuff. You know, particularly the big industry lobbying bodies, the CBI, the London Chamber of Commerce, London First, and other organisations of that ilk. We made it quite clear, having a relationship with them that what our expectation is that they are going to get off the fence and be making submissions in response to the consultation.”

London City Airport had also made full use of consultants. One of the respondents said:

“We called together all our consultants and advisors on everything that we had thought off prior to finalising the draft master plan and presented it to them. So it was our lawyers, it was our auditors, it was our marketing consultants, our PR company, our noise advisors”.

The reason given –

“It’s making sure your friends are on side as well.”

With an eye on subsequent planning applications, one respondent commented:

“if you end up in front of a planning inspector, he’s going to listen to the argument from environmental campaigners.”

And in agreement with a respondent from Stansted Airport who talked about listening to “*clever people*”, a respondent from London City said:

“At a totally human level, the better argued and presented the case, the more credence the argument they put forward, which is probably completely wrong but it’s the way of human nature, I would think.”

6.6.3 *Equilibrium*

As the third potential decision-making strategy, this from the planning literature, respondents were asked whether they think the final master plan reflects the airport’s desire to find a balance or equilibrium between the views of stakeholders. Table 6.9 shows a summary of the responses to this question together with an exemplar from the interview transcripts.

Table 6.9 Seeking equilibrium

Source	Yes/No	Exemplars from the data
MAN1	Yes	<i>“at the heart of all the master plans that we have done . . . is the three pointed environmental, social, economic, I think they are pretty balanced in that way.”</i>
MAN2	Yes	<i>“it’s how you meet the needs of the people who are right next door to you but also making sure you have that wider level of support across your catchment area”</i>
BHX1	Yes	<i>“Absolutely. . . the way in which I would show that as proof is that we did not end up in a public inquiry, a judicial review of our process”</i>
BHX2	Yes	<i>“Yes I do because we operate a balanced approach here at the airport for all the things that we do”</i>
STN1	No – managers set and evaluated criteria	<i>“And if you believe that you are doing the right thing for the right reasons, which is what we did believe . . . then we chose to stick to our guns but compromise where we felt we could compromise. And it wasn’t always in our interest.”</i>
STN2	No	<i>“To be inclusive of everybody’s needs is likely to end in failure.”</i>
LCY1	No	<i>“I believe that airports ought to take a lead. They shouldn’t be looking for the woolly common ground.” “If you go for a compromise, you will always be pulled towards the louder voice rather than the right answer.”</i>
LCY2	No	<i>“The master plan still has to work for us and if you have a wishy-washy one in the middle it isn’t going to work for you.” “What we have to do is show that we have taken account of the concerns that have been raised with us. Take account of doesn’t mean saying yes or no to them all.”</i>

All four respondents from airports with public sector involvement (Manchester and Birmingham) agreed they had attempted to seek an equilibrium or mid-point solution to conflicting opinion. The two respondents at Birmingham Airport were the keenest to agree that they tried to find a mid-point between the views of their various stakeholders. At Manchester Airport, the respondents seemed to take-for-granted that this method of seeking compromise between their stakeholders' opinions would be employed. Conversely, both respondents at London City emphatically denied attempting to find a “*wishy-washy*” middle ground. Respondents at Stansted, the other fully privately owned airport, also felt they had not attempted to find a mid-point between all views. One Stansted respondent in particular felt that,

“To be inclusive of everybody’s needs is likely to end in failure”.

However, it was clear that criteria had been established across a range of factors but that the final decision was firmly in the hands of airport managers, who believed they were,

“doing the right thing for the right reasons”.

6.6.4 Innovation

The final potential strategy for decision-making derived from the literature revolved around seeking a solution to a problem rather than deciding between a number of options. Analysis of the interview transcripts with airport managers revealed little evidence of decision-making based on attempts to create win-win solutions through innovation. Table 6.10 shows the extracts from interview transcripts that refer to this decision-making style.

Table 6.10 Innovating to create win-win solutions

Source	Yes/No	Exemplars from the data
MAN1	Yes but	<i>“the Company in its values has always had innovation as one of its core values. . . . I’m trying to think of an example and am floored by not being able to think of one.”</i>
MAN2	No	<i>“It’s more how can we make what we’ve got fit neatly the needs of the community and the stakeholders around us.”</i>
BHX1	Yes but	<i>“I’m sure there will be but I just can’t think of one.”</i>
BHX2	Yes	A noise pen for engine testing, <i>“which is acoustically lined”</i>
STN1	No	<i>“we asked people what they thought but we didn’t learn anything out of that that made us think we’ve missed something or we really should be attaching much more importance to that rather than that.”</i>
STN2	No evidence	<i>“it depends if the problem raised is an important one or a big one. If it’s a matter of fundamental importance then clearly you’ve got to do something about it but you’ve got to bear in mind that you can’t be all things to all men.”</i>
LCY1	No	<i>“At that time, what we got in response to the consultation was fundamentally an endorsement of what we had proposed. So there was no fundamental change to be made.”</i>
LCY2	No	<i>“Being innovative tends to frighten people and it never works anyway.”</i>

This final response from an airport respondent at London City indicates an institutionalised view of innovation as a negative strategy for solving problems. Nonetheless, the respondent did suggest that the industry as a whole needs innovation, particularly to find new fuel sources and quieter engines. However,

he felt that to encourage innovation would require legislation from ICAO and buy-in globally across the sector.

6.6.5 Comparing decision-making approaches

It is important to note the legal precedents involved in planning decisions, chiefly because airport decision-makers seem well aware that the requirement is simply to be seen to take account of points raised rather than to act on those points. In particular, Wednesbury irrationality and proportionality provide the legal backdrop for cases where planning authorities are questioned over the weight they have attached to any issues raised by stakeholders in their final decision. An explanation of the Law in this regard has been provided by Lord Hoffman in *Tesco Stores Ltd v Secretary of State for the Environment* [1995] 1 WLR 759 (HL) 780 at paragraphs 56 and 57 and states:

“Provided that the planning authority has regard to all material considerations, it is at liberty (provided that it does not lapse into Wednesbury irrationality) to give them whatever weight the planning authority thinks fit or no weight at all. The fact that the law regards something as a material consideration therefore involves no view about the part, if any, which it should play in the decision-making process. This distinction between whether something is a material consideration and the weight it should be given is only one aspect of a fundamental principle of British planning law, namely that the courts are concerned only with the legality of the decision-making process and not with the merits of the decision. If there is one principle of planning law more firmly settled than any other, it is that matters of planning judgment are within the exclusive province of the local planning authority or the Secretary of State.”

It is clear that planning authorities, under current planning legislation and described by Wednesbury irrationality and proportionality, can attach whatever weight they feel appropriate to any arguments for or against development, and

therefore to the institutional logics that underpin them, without needing to reveal the weighting used. They need only to be seen to take account - to have received or listened to stakeholders' arguments. As described by one of the managers from Stansted Airport, this situation, institutionalised in local authority planning decision-making, seeped into the private sector through advice provided by consulting planning QCs. The respondent said:

“we were also advised by a leading QC that there was a necessary extent to which we needed to keep our value judgements in a little bit of a black box.”

At London City, they clearly understood that,

“What we have to do is show that we have taken account of the concerns that have been raised with us.”

This was explained further:

“Take account of doesn't mean saying yes or no to them all. It could mean either or it could mean something completely different.”

This approach appears to have become institutionalised and therefore, when airport managers were finalising their master plans, they did not present any detail of the way in which they had prioritised stakeholder opinions or the institutional logics these were built upon. Indeed, airport managers found it taxing to answer the question about defining a process for decision-making. Institutionalisation has progressed so that managers are now more concerned with the process of consultation than with its outcomes. None of the airport managers had used or declared a predetermined system for assessing stakeholder opinion but all were keen to point to the extent and number of stakeholders consulted. This is also in line with planning law defined in the *Tesco Stores Ltd v Secretary of State for the Environment* case. Indeed, as the case spells out, the law is only concerned with the legality of the process, not with the relative merits of the decision itself (*Ibid*, paragraph 57).

The normative social practice of being seen to take account rather than of actually taking account effectively rules out Freeman's stakeholder capitalism in this situation, where decision-makers seek innovative win-win solutions to problems. It was noticeable from the data that there was indeed no evidence of innovation or intent to problem-solve to find win-win solutions in the case study airports although Manchester has,

"innovation as one of its core values".

A respondent at London City explained the absence of innovation in master plans by saying:

"Being innovative tends to frighten people and it never works anyway."

That said, London City Airport were most heavily influenced by a commercial social structure, displaying some indications of institutional entrepreneurship, using stakeholder consultation as, to some extent, a marketing exercise and lobbying for support from industry heavyweights.

Although questioned specifically on innovation, only one respondent from London City Airport (quoted above) provided a reason for its absence in the aviation sector but made a point about the industry as a whole requiring innovation. He specifically mentioned fuel sources and quieter engines but said this needed global legislation through the International Civil Aviation Organisation (ICAO) but that, *"getting them to agree on these things is a nightmare"*. The Inspector in the Stop Stansted Expansion case (summarised in sub-section 6.3.2 previously) alluded to this lack of innovation. The Judge quoted the Inspector's Report in the case, saying:

"it is only possible to support air traffic expansion and climate security together by replacing a respect for evidence with a vague hope that "something will turn up" to rescue us from the contradiction to which all current evidence points." (Carol Barbone and Brian Ross (on behalf of Stop Stansted Expansion) v The Secretary of State for

Transport and The Secretary of State for Communities and Local Government [2009] EWHC 463, paragraph 70)

As one Stansted Airport respondent specifically pointed out, there are disconnects between how master plans are viewed, institutionally, by local authorities and their planning departments on the one hand, and airport management on the other. In the former, the airport master plan is seen as akin to a local plan and explains exactly what will be done in the period covered. In the latter, airports see master plans much more as a snapshot in time or guide that inevitably changes due to changes in the sector. However, Manchester Airport clearly had a public sector type ethos and felt they did things differently – “*The Manchester Way*”. Their decision-making was closely aligned to the planning process. Birmingham Airport was also aligned to the planning process but less strongly than Manchester. One of the Birmingham respondents mentioned that objectives were now clearer since their private sector investment. At Stansted, change of ownership from nationalised, to wide public shareholding, to private ownership had changed the prevailing social structure. There was still recognition of the planning process but the feeling of, “*making a virtue out of a necessity*” and a heavy reliance on consultants to guide decision-making. Planning consultants therefore provided the route to the institutional context or social structure surrounding planning.

All airport managers believed they had the right to make decisions and none of these processes were transparent to either the managers involved or to their stakeholders. One of the Manchester Airport respondents, echoing the views of other airport respondents, declared their decision-making was an “*intuitive process not formulaic*” and that they “*instinctively*” knew who to take notice of. All airports except Stansted, who took an options approach to consultation, talked about the need for continual conversations with stakeholders in order to get the needs of the airport, as a London City Airport respondent described it, “*into the warp and weft of the way things were done*”, a clear reference to institutionalising the development needs of the airport.

In terms of decision-making based on the views of the salient or definitive stakeholder from the literature, all except one of the eight respondents agreed that they tend to listen to the 'loudest voice'. Manchester managers identified this as the local authority, one Birmingham respondent said the local authority and the other the shareholders, Stansted managers identified airport management as the salient stakeholder, and London City mentioned the planning authority but analysis of the transcripts showed shareholders and airport managers to be key stakeholders. Indeed, by far the most frequently used code in the analysis was the manager as the salient stakeholder. All eight respondents made reference to examples of where they or their colleagues were the loudest voice. Five respondents mentioned the local authority and four specifically the planning authority. Respondents from Manchester and Stansted Airports also referred to airlines as important stakeholders.

All four respondents from airports with public sector involvement (Manchester and Birmingham) stated they had endeavoured to find an equilibrium or mid-point position between conflicting opinions, with the Birmingham respondents keenest to agree. The Manchester respondents seemed to take the compromise method of decision-making for granted. Conversely, all respondents at London City and Stansted emphatically denied attempting to find a "wishy-washy" middle ground. One London City respondent said:

"If you go for a compromise, you will always be pulled towards the louder voice rather than the right answer",

where the implication is that management could identify "the right answer". One Stansted respondent said:

"To be inclusive of everybody's needs is likely to end in failure".

6.7 Themes arising from the data corpus

In addition to the *a priori* themes, the data revealed four additional key theoretical dimensions: The first, different patterns of ownership and the potential impact on decision-making, arose during the literature review and formed a key part of the selection of the case study airports. Case airports were selected to give maximum variation across the current ways in which UK airports are owned. It was therefore essential to follow up on this theme to discover if it does indeed impact on decision-making.

The second theme emerging from the data was the relationship between the case airports and their local authority. This is a central relationship since the local authority have jurisdiction over planning decisions, vital to airport development. The four case airports reside within local authorities with a range of political persuasions: the Labour Party dominate Manchester and the London Borough of Newham (for London City), Birmingham is a Conservative Party constituency although City is predominately Labour, and the Conservative and/or Liberal Democratic Parties hold sway in Stansted's local authority, Uttlesford in Essex.

The third theme in this section is the lobbying and influencing behaviour of airport management. This is an important behavioural trait that affects the decision-making process by attempts to change or manipulate the social structure, in the manner of the institutional entrepreneur. The final theme arising was the attitude of the airlines. Airlines are key stakeholders in airport consultation since they ultimately pay for much of the development described by master plans. They therefore have a direct impact on the decision-making process, providing justification for the inclusion of this theme. Findings for these themes, shown in the coding template in Chapter 5, are described in the sub-sections that follow.

6.7.1 Airport ownership

Types of ownership of the case airports included an airport built, developed and owned privately, an airport initially publically owned then nationalised and now fully privatised, a public/private partnership, and an airport owned and operated by the local authorities. Categories arising from the data centred on differences that ownership of airports made to airport management and decision-making. In particular, analysis focused on the disparate concerns of private airport owners' financial interests and government's economic and social objectives for the development of major infrastructure at airports ((Humphreys *et al*, 2007). Table 6.11 provides exemplars from the data that define ownership of airports as a theoretical dimension.

Table 6.11 Ownership as a theoretical dimension

Exemplars from the data: Ownership as a theoretical dimension	Categories
<i>"the shareholders over many years have taken a very long-term view of the business because of a recognition of the contribution the airport makes economically to Greater Manchester. They are unusual investors, if you put it that way because of that longer-term view and in the past, they have actually chosen not to take a dividend out of the business . . . in order to enable what would have been the dividend to be re-invested into the business."</i> (MAN1)	Difference in objectives/ processes due to ownership type
<i>"Is this airport important for shareholder value or is it important as an economic driver of the region? . . . the ownership of this airport with seven local authorities owning 49% . . . recognise that this airport actually is an economic driver of the region. Any dividend that does get paid and goes back to the local authorities clearly subsidises the rates bill so local people really do have a stake in this airport."</i> (BHX1)	
<i>"BAA as a nationalised industry up until privatisation in 1987,</i>	

BAA as a plc from 87 to 2006, and then BAA under independent shareholder ownership since 2006 and all the processes were all quite different.” (STN1)

“If you are Manchester Airport and a new piece of road needs to be built to provide a better means of access into the airport, if you are the local authority owner of the airport, you are really just deciding which pot of your money that road is coming out of. If you’re not a local authority owner of an airport, it matters quite a lot which pot the money’s coming out of . . . how good are they at separating I’m now deciding on behalf of the airport as opposed to I’m now deciding on behalf of the local authority – which hat am I wearing at this point in time? I would expect them when they are making a decision on behalf of the airport, thinking to themselves well, I’ve also got to get re-elected” (STN1)

“I think that at the heart of all the master plans that we have done, and this probably comes from a local authority ownership background and a slightly more ethical way of doing things . . . And I think that comes down to the expectation of a certain ethic within the company due to its ownership.” (MAN2)

“There is, to a degree, still some public sector ethos flowing through the business . . . essentially, our stakeholders are the local authorities so there is an expectation that we will do things in a way that at least has that same ethos that they would hold in terms of consultation events, in terms of sustainability opportunities . . . And perhaps where we may differ because of that ownership is that on receiving those comments we might analyse them harder than perhaps others would because there is almost a duty to be seen to have taken on board the responses that you receive.” (BHX1)

“I kind of think that a local authority owned airport is likely to

be able to say we are doing this for the good of the area rather more easily than a private sector owner who will, amongst the objectors be permanently cast as money-grabbing and just doing it for a profit and laying waste to the local area.” (LCY1)

“I think in BAA, airports see master plans as an idea at a snapshot in time as to what their then intentions are about how the airport might be developed and expanded. But because their experience is that factors will come along next year and the year after to cause them to change their mind and because no hard and fast investment decision hinges on what’s in the master plan . . . So we have a different status in people’s minds.” (STN1)

“At the same time, the optioneering was taking place for the second runway. So that started apace in 2005 and that followed the legal challenge against Government, where Government had looked a little bit prescriptive in its location for the second runway. Which is bizarre because, as a private company, we were responsible for all this. There was no government involvement in funding it or doing anything. It was purely down to the operator, which was BAA. So you had a slightly odd situation where the White Paper came out and it showed the approximate location for the runway although it didn’t say that we exactly the position but it broadly said . . . It showed a map.” (STN2)

6.7.2 Relationship with local authorities

The relationship between the airport and the local authorities was an integral part of the consultation process, particularly because all airport managers had an eye of any subsequent planning application, which would be made through the local authority’s planning department. Indeed, the ex BAA board member commented:

“If you are asking what stakeholders thought about it, the real consultation was going on with the local authorities and the airlines”.

However, this respondent pointed out that there is an imbalance of power in favour of the airports. He said:

“Local authorities are not particularly resourced to deal with the issues. If you are working for a district council – one of only half a dozen people in the planning office - and you get an organisation like the BAA giving a very complex and thoroughly considered and educated analysis, it is actually quite difficult for you to engage with that. And the airlines these days, the low cost airlines in particular, they don’t have departments that do that kind of thing.”

Table 6.12 shows the exemplars from the data pertaining to the relationship with the local authority as a theoretical dimension.

Table 6.12 Relationship with LA as a theoretical dimension

Exemplars from the data: Relationship with LA as a theoretical dimension	Categories
<i>“I think it may well be as well because of our ownership that we realise, or recognise, that yes you need to develop a positive relationship with the local authority rather than one which is just we’re a big airport – go away. And it’s strange when we took ownership of the smaller airports, how establishing that relationship gave the local authority much more confidence in us and therefore they do share information. It’s a two-way flow and it just makes the relationship that much easier to deal with.” (MAN2)</i>	Good relationship (LA is shareholder)
<i>“I think the other thing . . . was a lot of involvement with the local authority planners. So we worked very closely with them from day one. You could argue in the current environment there are those that probably criticise us and</i>	

say we are overcautious but actually I think it helps to get these people onside and have an understanding early on. And that worked through everything from the technical planners to the politicians.” (BHX1)

“What’s important is to try and build a common view between the local authority and the airport developer. Where there is common ownership . . . “ (LCY1)

<i>“I think to come back to the question about who are the key stakeholders, if we were to pick one it would be the Council, the London Borough of Newham with whom we have had a productive relationship forever, literally forever, since the airport was first conceived because they got it. “ (LCY2)</i>	Good relationship (LA not shareholder)
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<i>“Well look at Luton – Luton has got Council support. They are pressing ahead, they want to double it. Our authorities had banners draped over the top saying absolutely no to a second runway. The bin lorries painted up with “no way to G2” written on them even before the application had been submitted. . . . If this runway, this airport were 70 miles north, the difference would be extraordinary. Because 11,000 jobs - the biggest single site employer but locally local authorities just turned their backs on us – very divisive.” (STN2)</i>	Poor relationship with LA (clash between LA and government policies)
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“We just looked at it and when the figures were reviewed we thought there’s no way that this [2nd runway] is going to be needed. Now, we are in an interesting situation here, in that all the time the 2003 White Paper is active, that runway is still a possibility. And Solihull as a local authority safeguards the land. . . . But what we have made quite clear to government is that, even though it sits within the Green Belt, we’re not going to pop our heads above the parapet and demand that it’s safeguarded.” (BHX1)

6.7.3 Lobbying and influencing

The lobbying activities and airport management's skill at influencing emerged from the data as an important theoretical dimension since this behaviour has the potential to affect the consultation process. Table 6.13 shows exemplars from the data.

Table 6.13 Lobbying and influencing as a theoretical dimension

Exemplars from the data: Lobbying and influencing as theoretical dimensions	Categories
<p><i>"And you have got to have the courage of your convictions, you've got to go out there and argue your case and seek to convince people."</i> (LCY1)</p> <p><i>"But we were also looking for where our friends were. . . . You can actually find your friends and get them to do stuff. You know, particularly the big industry lobbying bodies, the CBI, the London Chamber of Commerce, London First, and other organisations of that ilk. We made it quite clear, having a relationship with them that what our expectation is that they are going to get off the fence and be making submissions in response to the consultation."</i> (LCY2)</p> <p><i>"So I want to know who has responded. Where's the response from the CBI then? So I instantly go and beat up the lady at the CBI and say I am paying a fortune in membership fees, you write me a nice letter."</i> (LCY2)</p> <p><i>"We also had a meeting for environmental pressure groups. . . .for them to quiz us on the contents of it that was probably over and above what other airports would do because inviting negative people in can obviously have two effects really so . . . but we did that."</i> (BHX2)</p>	Skill at political influencing
<i>"I think that the attitude that I deployed when I came here was that I wasn't going to give people any flannel so we had a very</i>	Distancing and then

<i>full and frank discussion about what we wanted to do and why we wanted to do it and frankly who was going to be inconvenienced by it. And that's the approach the airport had never taken before. It had tried to keep its cards close to its chest, which just doesn't work in my mind." (BHX1)</i>	influencing
<i>"We just said that there's no demand for it [second runway] . . . I can't see demand for it before 2040 personally but you never say never in these things and I think the point we are making to government is that don't think we are going to fight that battle because the whole debate about aviation capacity is something for national interest. . . but I wouldn't want to get embroiled in that debate because we'd be the losers, we really would." (BHX1)</i>	Distancing

6.7.4 Behaviour of the airlines

The final theoretical dimension to emerge from the data was the behaviour of the airlines during the consultation and the effect this had on airport management decision-making. One of the respondents made it clear that airport managers should and do attempt to engage with their airline users. He said,

"Airlines don't have a veto about capex but you are foolish if you don't talk to them and seriously try and engage their views."

Table 6.14 provides exemplars from the data with the categories arising.

Table 6.14 Airline behaviour as a theoretical dimension

<p>Exemplars from the data:</p> <p>Airline behaviour as a theoretical dimension</p>	<p>Categories</p>
<p><i>“So they are part of the consultation process but we tend to be a bit wary about their responses to the big strategic consultation. We might if we are going to build a piece of concrete or expand the departure lounge or something of that ilk, we should be very, very interested in what the airlines have to say because they will be operating that. . . . when it’s big-ticket stuff . . then we would be wary of the views of the airlines because what they want is to keep their little gang of airlines here and not let anybody else in. . . . They want us to grow but slowly so that we are growing in a way that they can maintain their market share.” (LCY2)</i></p> <p><i>“They don’t want to pay for it. But I think you get a very different level of engagement depending on whether or not you have got a base carrier. British Airways’ contribution to Heathrow’s T5 was very, very different to their contribution to our second runway. It’s just that level of interest that particular airline has in the very long-term of that airport.” (MAN1)</i></p> <p><i>“a successful airport’s business is driven by passenger volume, more bums on seats the more money you make. An airline’s business is a combination of volume and yield and they can make more money simply by charging more. . . without runway 2 they could increase their yield and be more profitable for a lower volume..” (STN1)</i></p>	<p>Strategic clash</p>
<p><i>“there’s a lot of discussion about the a-symmetry of information with airports having a lot of information and knowledge and the airlines having relatively little compared to airports. Because by-and-large they don’t have experts . . . Therefore they struggled and are still struggling to gain</i></p>	<p>Lack of expertise/will to engage</p>

sufficient knowledge and expertise to know how to respond to the airports.” (STN1)

“This is probably a criticism of airlines and their planning horizons but getting airlines to contribute, make comment, make views about the runway was incredibly hard . . . they were pretty much dragged there kicking and screaming . . . They find it very, very difficult to contribute and make comment on very strategic documents. Their issue is about how is the operation going to be next week or next season” (MAN1)

“Lack of airline support for the process. They were very disruptive to the process. And in fact, the airline consultation piece ran on way beyond the public consultation.” (STN1)

6.8 Chapter summary

This chapter presents the findings from the empirical phase of the study. The first part of the study established the background of each case airport and drew comparisons between them. Of particular interest were the ways airports were owned, the similarities in the way in which stakeholder consultation was handled and the consistent lack of engagement by stakeholders during the master plan process. In particular was the lack of response by the public and businesses as well as the difficulties case airports had engaging with airlines. Airports relationships with airlines were picked up as a theme for further investigation, as was their relationships with their local authorities. Also significant was the lack of change between draft and final master plans in all case airports. The way in which two of the case airports, Birmingham and Stansted, handled the imposition of additional runways identified by the 2003 White Paper, provided a further distinction between airports.

In terms of the social structure in which case airports operates, the first key finding was the extent to which stakeholder consultation is taken-for-granted and accepted by all parties involved. Both Manchester and Stansted Airport respondents felt the impetus for institutionalisation of stakeholder consultation in the airport sector emerged from society's move towards corporate social responsibility and stakeholder engagement generally. The objective of consultation is very much to gain planning permission. For airport managers, the focus is on getting the process right, *"to be seen to take account"*. However, all airport managers interviewed expressed frustration at the difficulty they have engaging stakeholders in discussion. This was generally seen, *"as a result of people's unwillingness to involve in the process"*. Even with participation, there was a feeling that there was little new thought presented.

This feeling was illustrated by so little change to draft master plans resulting from consultation. Whilst airport managers from airports with local authority involvement talked very much in normative terms about the need to listen to

opinion, managers from privately owned airports particularly expressed dissatisfaction with the time, cost, and relative impact of the process. Even so, none of the respondents went as far as to entirely refute the benefit of consulting with stakeholders.

In terms of the decision-making processes used by airports and the four *a priori* strategies identified from the literature, Wednesbury irrationality and proportionality provide the legal backdrop. Airport managers were well aware that, for cases where planning authorities are questioned over the weight they have attached to any issues raised by stakeholders, provided they have considered any material issues, they are at liberty to attach, “*whatever weight the planning authority thinks fit or no weight at all*” (*Tesco Stores Ltd v Secretary of State for the Environment* [1995]). This *carte blanche* for planning authorities has affected the way in which airport managers handle the views of their stakeholders.

Decision-making processes are not transparent, even to the airport managers themselves, who do not use any form of predefined methods. Decisions are very much the airport managers’ prerogative making them the salient stakeholder. This approach, institutionalised in local authority planning decision-making, has seeped into the private sector through coercive isomorphic pressure and now seems so taken-for-granted that respondents found it difficult even to describe how they made these decisions. Whilst airport managers rejected the notion that they had reproduced other airport’s consultation processes, mimetic processes were noticeable in drawing up the list of stakeholders to consult. These lists emanated from public sector consultations and were dispersed throughout the sector by industry specialist consultants, particularly, ““*very highly paid Planning QCs*”.

Some airport managers in the study said they tried to find a mid ground between the views of stakeholders (as described by the planning literature). However, the lack of change between draft and final master plans would refute

this claim. None of the airport managers could provide examples of where they had attempted to innovate to provide win-win solutions to the issues raised by stakeholders.

Table 6.15 compares the way in which airport managers handled institutional logics, an *a priori* theme from the literature. Analysis of findings focused on the justifications of opinions and decisions provided by interviewees.

Table 6.15 Comparison of key features of prevailing institutional logics

<p>Manchester</p> <p>No capitalist logic used during interviews. Bureaucratic logic dominant in discussions. Frequent reference to public ownership and associated 'ethical' way of doing things. Organisation falls in line with the master plan.</p>	<p>Birmingham</p> <p>Bureaucratic logic frequently mentioned but increasing influence of capitalist logic noted since change of ownership. Also noted clash between short-term view and the long-term planning horizon of different public sector investors. Recognised the "disconnects" between the capitalist and bureaucratic logics. Revised forecasts to demonstrate no requirement for 2nd runway.</p>
<p>Stansted</p> <p>Demonstrable change in prevailing logics through three phases of ownership. Shareholders take more notice of Capital Investment Plan than master plan. Managers went along with the government's desire for 2nd runway. Most noticeable conflict between central and local government politics.</p>	<p>London City</p> <p>Capitalist logic was key institutional influence. Relatively unmoved by bureaucratic logic. Used master plan process as marketing and lobbying exercise. Alone in specifically mentioning democracy and conflict between all logics.</p>

There were notable differences in how the four airports preference the capitalist/market and bureaucratic institutional logics. However, all airport interviewees generally wrapped the democratic logic into their discussion of stakeholder consultation, with the exception of one London City Airport respondent who spoke of the impact of the need for re-election of government officers has such that political leadership tends to reflect rather than lead the community.

In addition to the *a priori* themes drawn out from the data, a grounded approach uncovered a number of other topics pertaining to the research subject. The first emergent theoretical dimension related to the impact of the different ways in which case airports were owned. The first category under this theme identified differences in objectives, summed up by an airport manager who said:

“Is this airport important for shareholder value or is it important as an economic driver of the region?”

Certainly privatisation of the UK’s airports has altered the *raison d’être* of being an airport. Private companies have capitalism as their dominant logic and managers are obliged legally to focus on providing a return on investment to shareholders.

Both airports with public sector shareholders spoke of this dichotomy. Interestingly, one of the case airports, Stansted, had experienced three different types of ownership and a respondent had borne witness to each form. He described distinctly different processes caused by the pressures on management of the underlying logics of bureaucracy and capitalism commensurate with the different types of ownership. Related to this construct, the issue of “*which hat am I wearing?*” for local authority shareholders was discussed. Here the democratic logic comes into play, as local authority shareholders have to balance the profitability of the airport and the need for economic growth of the region with the desire for re-election. No easy task presumably and one the managers taking part in this study had no answer to. What was clear was that they were directed in their actions by institutional

pressure rather than by explicit instruction. This dilemma also impacts on public perception, where airport managers reported that decision-making of privately owned airports was more likely to be viewed as unethical and,

“cast as money-grabbing and just doing it for a profit and laying waste to the local area.”

The penultimate category concerns local and central government relationships with airports. The first of these describes the different view local authorities and airports have of master plans. Airports are much more relaxed about the longevity of the plan, cognisant that dramatic changes within the sector can impact any long-term plans. Master plans have a planning horizon of around 25 years, a timeline too long for anyone to envisage all potential political, environmental, social or technological changes. Local authorities, however, have a much more fixed view of master plans and airport managers believe they liken them to their own rather more fixed local development plans.

The final category concerns government interference with airport business. In particular, this dimension refers to the 2003 White Paper and its prescriptive proposal of additional infrastructure. Two of the case airports had been subject to government suggestion, through the White Paper, for development of second runways. Neither airport was operating at anywhere near capacity. Birmingham Airport ‘revised traffic forecasts’ to negate the need for the additional runway but Stansted invested many millions in preparation for development. The local authority opposed the plans and ultimately, government policy changed and plans for the second runway were abandoned or at least postponed.

The second theoretical dimension arising from the data corpus was the airports’ relationships with their local authorities. Two categories emerged: The first pertained to airports where the relationship between themselves and the local authority is good and stable. These could either be airports where the local authority is also a shareholder such as Manchester and Birmingham or where the airport is fully owned by private investors. London City had just such a

constructive association with the London Borough of Newham and have had all five of their planning applications approved. Stansted Airport, however, had a very difficult relationship with their Conservative/Liberal Democrat local authority, which was opposed to then Labour Government policy.

The third emergent theoretical dimension was lobbying and influencing and concerns the way in which airport management went about communicating with stakeholders. On the one hand, some airport managers were adept at political influencing and London City provided a good example. Other managers had preferred to distance themselves from the consultation, generally using their community relations team as a buffer. Others described situations where they inherited a culture of distancing but had moved toward a more proactive stance in stakeholder consultation.

The final theoretical dimension from the data was the impact of relationships between airports and their airlines. Recent evidence (CAA, 2011a) has highlighted the conflict between the business models of the low cost airlines and those of other types of passenger airline and between the low cost airlines and airports. The low cost strategy focuses on cost reduction and on a disaggregated level of charging, where the passenger chooses to pay for services they value (CAA, 2011b). This is described as the “user pays” strategy, which is in direct conflict with the “users pay” pricing strategy of the airport, where aggregated costs are charged out across all travelling passengers (CAA, 2011b). This clash of strategy coupled with what airport managers saw as a lack of expertise and willingness to engage in the master plan process was a source of frustration for most airport managers interviewed.

The next chapter discusses these findings in relation to the extant literature to provide theoretical explanations for the behaviours noted in this chapter.

7 DISCUSSION

7.1 Introduction

This study has been directed by the research question “How do airport managers incorporate stakeholder contribution in their final master plans?” and by the fulfilment of the four aims presented in the introduction to this thesis, described in Chapter 1 (see Table 1.1 on page 9 for a summary), which are to:

- Explore the potential to incorporate the stakeholder framework within institutional theory through the medium of institutional logics.
- Investigate how the opinions of stakeholders influence changes between draft and final airport master plans.
- Add to knowledge of critical realism in action.
- Improve the way in which stakeholder participation in airport master planning is utilised and assist future development of government policy to support airport consultations.

This chapter focuses first on the second of the aims shown above focusing on how and why stakeholders’ opinions were incorporated or ignored in final master plans. The chapter then builds from this discussion to meet the needs of the first aim, consideration of the agency-structure debate. The critical realist perspective taken by the study and the search for mechanism-based explanations guide the discussion to achieve the third aim. The final aim, inherent in practice-based research, is in this case to improve how stakeholder participation is conducted in future. This is discussed specifically in the concluding chapter.

The findings suggest a strong link between the social structure in which airports operate and the outcomes of decisions taken when finalising master plans. The key variable used to select case airports was ownership. The premise was that the way in which an airport is owned would affect prioritisation of stakeholder

logics and therefore decision-making as draft master plans were finalised. Whilst most findings from this study were common to all case airports, the empirical study did show some difference in the social structure prevailing upon each airport. Certainly managers at the local authority owned and part owned airports expressed their perplexity over the conflicting aims of increasing shareholder value and acting as an economic driver for the region. Whilst this dichotomy impacts airport managers' decision-making, these respondents felt the confusion was most apparent in the decision-making of local authority shareholders. The Board has to balance profitability of the airport, the need for economic growth of the region, and their own desire for re-election. For private sector airports, managers reported their view that stakeholders were more likely to be suspicious of their profit motivation since they felt this might act against the needs of the community.

All case airports conducted the collection of knowledge and opinion from stakeholders through very similar consultation processes. Equally, at the second phase of consultation, deciding what should be done with the information collected, none of the managers from the case airports reported having a defined process for decision-making. However, there were marked variances in the way managers responded to the logics of stakeholder opinion. Logics in this context refer to:

“broad cultural beliefs and rules that structure cognition and fundamentally shape decision making and action in a field” (Marquis and Lounsbury, 2007, p. 799).

This chapter first discusses the institutional pressures on airport managers as they finalise their master plans. The subsequent section examines the influence on decision-making processes of the *a priori* themes identified from the literature. There follows a consideration of the way in which airport managers respond to the logics underpinning stakeholder views, including their own. Discussion then turns to identifying a means to integrate ideas from the stakeholder framework within institutional theory. Penultimately, the chapter

considers the critical realist aims of identifying underlying causal mechanisms at work as managers decide how to incorporate stakeholder contribution in their master plans. The discussion centres on the part this study plays in the agency-structure debate and considers how the way in which decisions on finalising airport master plans might change. The chapter concludes with a summary.

7.2 Institutional pressures

This section discusses the elements of the institutional context or social structure that affect the way airport managers react to societal expectation. As Delbridge and Edwards say, “*the challenge is to assess the configuration of logics within a meaningful context*” and to “*reveal the fault lines along which agency can be explored*” (Delbridge and Edwards, 2013, p. 936). Amongst the milieu of institutions prevailing upon airport managers, this empirical work has shown that four in particular drive decision-making involving stakeholder opinion. These are

- 1 The normative isomorphic pressure that enables stakeholder consultation
- 2 The coercive pressure deriving from English planning law that constrains the decision-making process
- 3 The adversarial and oscillating nature of Central Government policy
- 4 A mimetic response to the nature of local authority development plans

7.2.1 Stakeholder consultation

There is no doubt that organisations are under pressure to acknowledge and manage the interests of a diverse range of stakeholder groups (Freeman, 1984; Booth *et al*, 2008). A number of studies (Edelenbos and Klijn, 2005; Kerley and Starr, 2000) have highlighted the expectation for interested parties to be involved in consultation on issues of public interest. Indeed, stakeholder consultation, built around models of justice and progress (Meyer *et al*, 2009), is heralded by government as vital to the master plan process and has made the transition from social movement to institutional obligation (Stand and Meyer, 2009). The failure to adopt legitimising practices (those that are seen as appropriate) such as stakeholder consultation, may leave an organisation, “*vulnerable, open to claims of being negligent, irrational*” (Townley, 1997, p. 261) even though the process challenges the right of managers to exclusively represent the interests of their shareholders.

This study has focused on the consequence of the institutionalisation of stakeholder consultation on managerial decision-making. Evidence collated by this study shows airport managers have moved from a distancing approach to stakeholder engagement where they used only remote processes such as questionnaires and reply-paid forms, to a position where they now work hard to engage and influence their stakeholders through continual dialogue. However, in practice, airports tend to use fairly traditional methods of communication such as email bulletins, newsletters, exhibitions, presentations and meetings to communicate with stakeholders. This research has shown that management scarcely question the process of stakeholder consultation and display a ubiquitous acceptance of its morality and ethicality. So, whilst the institutionalisation of stakeholder engagement in airport consultation arose through government coercion, it has persisted through normative isomorphic pressure within the sector. However, given the lack of any change to draft plans at the case airports, stakeholder consultation is perhaps an example of a “*ceremonial adoption*” (Martinez and Dacin, 1999, p. 87) of a practice.

Not only have airport managers been keen to be seen to have listened to their stakeholders but some have also engaged in lobbying and influencing activities. The private sector airport managers in this study were more likely to admit to using persuasion strategies to influence their stakeholders than local authority owned airport managers. Case airport research participants all secured ongoing support by harnessing the bureaucratic logic, specifically highlighting the impact of the airport business on the local economy, which was seen as a buffer to environmental arguments. Private sector managers in this research were keenly aware their decision-making is subject to public suspicion of being rather less ethical than that of their local authority counterparts. Since privatisation, they have zealously engaged in programmes of ongoing communication with stakeholders through dedicated Community Relations teams.

However, the lack of involvement by stakeholders, particularly the public, business representatives and the airlines, means engagement is a rather one-

way process. There was no evidence that airport management attempted to be innovative in their consultations. Engagement strategies at all case airports were almost identical, dispersed throughout the sector by consultants and mimetic isomorphic pressures. For example, all airports relied upon individuals responding to appeals to participate in the master plan process rather than using random sample telephone surveys, a practice widely used in other fields.

Due largely to this lack of stakeholder participation, this study concurs with others (Bond and Young, 2006; Kerley and Starr, 2000) who found little evidence of the efficacy of stakeholder consultation. Indeed, previous studies indicate that civic participation has little impact on decision-making (Albert and Passmore, 2008) and does not determine the success of either the process of consultation or its outcomes (Chess and Purcell, 1999). One of the key issues from the Albert and Passmore study for the Scottish Government (as discussed in Chapter 3) was the substantial confusion around whether and how to weight the input from various stakeholders. The evidence from this study is that airport managers do not weight opinion nor indeed utilise any decision-making tools save for their own intuition.

Interestingly, airport managers did not use institutional contradictions such as inefficiencies in the cost of stakeholder consultation or misalignments between capitalist, bureaucratic and democratic logics to challenge the status quo in the manner of institutional entrepreneurs (Battilana, 2006; Fligstein, 1985; Garud *et al*, 2002; Greenwood *et al*, 2002; Maguire *et al*, 2004; Misangyi *et al*, 2008). All airport respondents, either explicitly or implicitly, suppressed the capitalist logic from their communications, never referring to the privileges of shareholders or rights pertaining to land ownership. So, whilst the literature identifies the possibility for individuals and organisations to manipulate the design of institutions to provide themselves with a strategic advantage (De Brucker and Verbeke, 2007), the rules of the game (Powell and DiMaggio, 1991; Thornton and Ocasio, 1999) are being influenced by much more powerful actors, particularly the pressure from English planning law.

7.2.2 Planning law

Planning law has legalised and institutionalised ‘black box’ decision-making in cases where stakeholder opinion has to be taken into account. Consultants such as Planning QCs have advised airport managers against public disclosure of any weighting system used to assist decisions on how to prioritise stakeholder input into the master plan process. The benefit to management of this approach is that it makes it difficult for stakeholders to argue against decisions at any subsequent legal challenge. Managers only have to be seen to have heard the opinion - to be aware of it; they are not obliged to do anything about it.

This research shows that institutionalisation of this approach has meant airport managers do not define mechanisms for reconciling conflict between competing interest groups (Bond and Young, 2006). Decisions are made at the discretion of management and the rationale behind them is largely undisclosed to the outside world. A consequence of this institutionalised and legalised approach is to discourage innovation and problem solving, a finding from all case airports. Some airport managers were surprised they could not think of examples of innovation when asked but others expressed the view that innovation was either not appropriate or not possible in the sector.

The institutional coercion wrought by English planning law on the manner in which stakeholder opinion is handled overrides the moral and ethical pressure brought to bear on airport managers by CSR (Corporate Social Responsibility) and the aim of collaborating with stakeholders. Additionally, this intense institutional pressure has the effect not only of precluding innovation but also institutional entrepreneurship. Indeed, the impact of English planning law on social structure pertaining to airports explains Freeman and McVea’s concern about, “*the continued neglect of a stakeholder approach in the area of strategic management*” (Freeman and McVea, 2001, p. 25). Whilst some lag is to be expected, since “*changing ethics or values precede the establishment of law because they become the driving force behind the very creation of laws or*

regulations" (Carroll, 1991), this research highlights the efforts that need to be made if development of the law is to keep pace with the changing morals and ethics surrounding stakeholder involvement in organisations.

7.2.3 Central Government policy

Whilst the previous sub-section details the effect of planning law on decision-making involving the reconciliation of conflict, the issues described here arise from the institutionalised way in which UK governments deal with aviation policy. Powell proposes that empirical research could usefully:

"show how political and institutional forces set the very framework for the establishment of economic action; these processes define the limits of what is possible" (Powell, 1991, p. 187).

Alvesson and Deetz go somewhat further in their suggestion that critical and postmodern studies:

"have shown how managerial values embedded in language systems, social practices and decision routines have lessened the quality of organizational decisions and reduced the capacity to meet important human needs" (Alvesson and Deetz, 2006, p. 255).

Whilst Philip Hammond, who was Secretary of State for Transport between May 2010 and October 2011, was clear he wanted to move beyond the polarised debate over airport development, current policy continues to reflect the issues that have divided the politics of the sector. Indeed, government regulation does not seem to have been the answer to sustainable and harmonious stakeholder relations. In the past, regulation:

"tended to concentrate on protecting the airlines from being exploited, but at the expense of not protecting the other stakeholders and the environment" (Francis and Humphreys, 2001, p. 50).

The nature of Government pressure is overt, through policy statements and enforced use of government air traffic forecasts, and coercive, deriving from adversarial and oscillating political stances on airport development. A number of respondents talked of government insistence on the use of their own forecasts

for growth in air travel. This involved a system called SPASM, which one of the respondents remarked, “*describes it quite accurately*”.

The adversarial nature of UK politics and the way in which aviation policy is continually ‘kicked into the long grass’, has meant the UK has a long history of procrastination on airport capacity (Caruana and Simmons, 2001; Eyre *et al*, 1985). Government policy is communicated through White Papers, the last of which detailing policy for aviation was compiled more than a decade ago. Despite intense pressure, the current Conservative-Liberal Democrat Government has yet to provide guidance to either airport management or to politicians in the local authorities governing each UK airport. This lack of policy and dearth of direction has curtailed airports’ applications for capacity growth. Indeed, even where policy was clear and settled at the commencement of a master plan process (such as at Stansted Airport), by the time a planning application was prepared, the political tide had changed and government no longer supported the airport’s development.

The term ‘policy’ when it refers to nationwide projects such as decisions over airport infrastructure development or national road or rail networks, has failed to be institutionally accepted by stakeholders. Sir Thayne Forbes, sitting as Judge in the High Court pointed to the lack of recognition for government policy even when it is clear, as with the 2003 White Paper. The consequence is that, instead of being the subject of debate and consensus in Parliament, “*separate investigations in each of scores of local inquiries before individual inspectors up and down the country*” (Barbone and Ross v The Secretary of State, 2009, paragraph 47) take place, as with the Stansted inquiry.

Whilst the 2003 White Paper did provide a clear aviation policy, it was also seen as interference in private sector business strategies. Indeed, central government strategic planning of the airport system, as occurred pre-privatisation (Bond and Young, 2006), was no longer possible post-privatisation. However, when the 2003 White Paper was published, both Birmingham and

Stansted Airports found they had been earmarked for additional runways; development that had not previously been in their own plans. Managers at Birmingham Airport dealt with this mismatch in strategy by revising traffic forecasts. Stansted, however, in their G2 preparations, invested and lost hundreds of millions of pounds. This reaction by the then BAA-owned airport may have been a result of the company's previous relationship with government, described by one of the BAA respondents. He said, prior to the breakup of BAA, managers would attempt to comply with government policy wherever possible as this was seen to be in the interests of shareholders. Institutional change took hold slowly but, since the breakup of the BAA group of airports, competition may result in a very different type of strategy.

7.2.4 Local authority development plans

The previous sub-section considered the effect of government policy on decision-making; the institutional pressure considered here derives from local authority processes for assigning land use. Airport managers frequently referred to the local authority as their salient stakeholder – the voice they listen to most. The reason for this is that the local authority has wide-ranging power to establish policy for development within their boundaries. As such, it is understandable that airport managers focus their efforts on the requirements of the local development plan and any ensuing envisaged planning application. However, this research shows this attention is at the expense of collaborative, possibly even innovative, approaches with stakeholders.

Given the enormous resource required to complete a master plan exercise and any subsequent planning application, there has been little airport development since WW2 with new runways at only London City in 1987 and Manchester in 2001. As the Director General of ACI World, Angela Gittens, pointed out:

“While the need to invest in additional capacity is seen as a universal demand on airports, environmental issues are more localised. Planning laws and noise regulations can be as much a source of

competitive advantage or disadvantage for an airport as the airport location itself.” (Royal Aeronautical Society, 2012)

This research found that airports, both private and local authority owned, with stable Labour-led councils have been successful with planning applications. Birmingham Airport too, with its 49% local authority ownership and politically mixed Council, was granted permission for extension to their existing runway in 2009 when the Conservatives had control. Stansted Airport, in a Conservative/Liberal Democrat authority, undertook an expensive and ultimately abortive planning process for their second runway, a development originally mooted by the then Labour Government as part of the 2003 Aviation White Paper but unsupported by the local councils.

The role of planners is frequently to validate the demands of powerful politicians (Flyvbjerg, 1998; Harvey, 1989; May and Hill, 2006), a practice that has become institutionalised in the planning process. In the case of airport development, the politicians with power are those who control the planning authority, even though airport managers in this research felt that local authorities were not resourced to deal with the issues. The institutionalisation of local council power to pass or veto airport development compounds the effect of planning law to work against the ethos of stakeholder consultation to provide, “*a more democratic field of communication and decision-making*” (Moulaert and Cabaret, 2006, p. 66). Therefore, the institutionalised way in which decisions are made relies less on deliberative democracy (Soneryd, 2004), collaborative approaches (Chess and Purcell, 1999) or citizen power (Soneryd, 2004) and more on whether Councils are supportive of or opposed to government policy.

7.2.5 Section summary

This section discusses how stakeholder consultation is enabled by its normative influence on agents’ reflexion but constrained by other pressures. Table 7.1 summarises the institutional pressures acting upon airport managers as they decide how to incorporate stakeholder contribution in their final master plans. This section of the study describes a situation where there is no vanquishing

institutional pressure or a truce between competing institutional pressures but the symbolic adoption of a practice that masks the effects of other influences.

Table 7.1 Institutional pressures and impact on master plans

Institutional pressure	Type of influence	Impact on master plans
Stakeholder consultation	Normative	Ceremonial adoption of the process of consultation, which inhibits innovation and value creation that could occur if managers sought win-win solutions to stakeholder concerns.
English planning law	Coercive	Strongest influence on decision-making that prevents decision-making processes from being made transparent to stakeholders
Central Government policy	Adversarial and oscillating	Continual procrastination by politicians who regard airport development as a potential vote loser results in a block to development and progress in the sector
Local Authority development plans	Mimetic	Requirements of the local development plan and planning applications may act to prevent collaborative approaches with stakeholders. Planners may be used to validate the demands of politicians and a fluctuating political milieu.

7.3 Decision-making strategies

So what are “*the strategies being employed in dealing with the situation*” (Lofland *et al*, 2006, p.166), in, as with this case, incorporating stakeholder contribution into a final master plan? Of the four *a priori* decision-making strategies suggested by the literature, neither the planning literature’s mid-point/equilibrium strategy (Brucker and Verbeke, 2007; March *et al*, 1958; Notteboom and Winkelmans, 2003; Sebenius, 1992) nor seeking win-win, innovative solutions (Freeman *et al*, 2007; Molteni, 2006; Tjosvold, 2008) played any great role with airport managers. The notion of value creation and trade (Freeman *et al*, 2007; 2010) centres on creating products and services that have value for customers (Freeman, 2009). Without input from customers, creating value is a matter of speculation rather than of targeted problem solving to create solutions where all customers are content with the outcome.

Stakeholder theory, with its definition of a salient stakeholder, did provide some insight into how airport managers’ decision-making was influenced. However, this was very much subordinate to the institutional pressures with which their context imbibed them. Indeed, the previous section detailed the considerable impact of institutional pressure on decision-making. Of particular interest is that whilst the **process** of stakeholder consultation has become recognised as vital to sustainable development (Amaeshi and Crane, 2006), there is little evidence that stakeholder contribution actually affects decision-making as master plans are finalised. As with Brunsson (1985, 1989, 2006) and Hafner-Burton and Tsutsui (2005), empirical evidence highlights a substantial gap between formal policy and actual practice. Airport managers, vague about the process of decision-making following a consultation, do not set objectives prior to commencing consultation and make no attempt to evaluate the process afterwards. This finding confirms those of Chess and Purcell (1999) and Kerley and Starr (2000).

Despite this, managers at the case airports did not question the process of stakeholder consultation, indicating that it has been encoded into their scripts (Seo and Creed, 2002) as an institutional norm. The embeddedness in their contextual environment explains the adoption of external models (Meyer, 2009) such as stakeholder consultation. Since none of their draft master plans had been altered substantially to accommodate stakeholder input, consultation is perhaps used as a means of gaining legitimacy rather than to add value to master plans.

7.3.1 Value creation

Airport users including the travelling public and airlines have proved difficult to entice into the consultation process. The problem is particularly acute for the low cost carrier (LCC) group of airlines. Their transformation of the traditional full service airline strategy has thrown up an inconsistency with airport strategy and compounded the disparity in planning horizons (airports have much longer planning horizons than airlines). The LCC model breaks down costs so the customer, the travelling passenger, can decide whether they value certain parts of the service sufficiently to pay for them. This includes such items as checked-in baggage, priority boarding, and seat allocation. This 'user pays' strategy conflicts with traditional airport policies of 'users pay' (Civil Aviation Authority, 2011b), where costs such as check-in and baggage handling are charged out to airlines on a per passenger basis.

There have been examples of airports working with airlines to generate innovative solutions to what has become a contentious and litigious problem in the UK, notably the appeal to the Civil Aviation Authority made by Ryanair against London Gatwick Airport over baggage and check-in pricing (Civil Aviation Authority, 2011a). AirAsia, for example, has worked with Kuala Lumpur International Airport to develop a LCC terminal. These dedicated LCC passenger facilities reduce costs to the LCCs to approximately 65% to 76% of those at the main terminal (Swanson, 2007, p. iii). Without this type of collaborative approach, innovation is largely absent from the airport sector in

the UK. Stakeholder consultation in this atmosphere fails even to attempt to produce value adding solutions for all parties and is little more than a source of frustration for both airport and airline management.

7.3.2 *Managerial saliency*

Whilst the stakeholder theory literature focuses on identifying the stakeholders that managers see as salient (Agle *et al*, 1999; Mitchell *et al*, 1997; Vilanova, 2007), this research has highlighted the prominence of managerial opinion. Indeed, this study confirms others who have identified the institutionalisation of management's right to manage in the way they see fit (Dunbar and Ahlstrom, 1995). All managers in the airport cases included in the empirical study felt their own value judgements were better than employing a systematic approach using analytic techniques to make rational, optimal decisions. This finding contradicts the dominant discourse, which:

“rests on the claim that there is an organizational and management science and that it is appropriately based on the sciences of certainty” (Stacey, 2010, p. x).

A pool of consultants and professionals, including planning QCs, sanction managers' reliance on their own value judgements in order to protect them from any potential legal challenge. One of the issues with this is that:

“The value choices managers make as a group have effects that reach far beyond the borders of their organizations.” (Anderson, 1997, p. 26)

The rationale for applying value judgements rather than transparent decision-making systems is planning law's legal validation of 'black box' decision-making. Indeed, the adversarial nature of the law governing the planning context means that airport managers report the likelihood of increasing their use of consultants in the future. This is liable to perpetuate the institutionalisation of 'black box' decision-making and result in even more focus on the process of consultation rather than on the act of collaboration. Yet it is collaboration that is:

“increasingly assumed to be both necessary and desirable as a strategy for addressing many of society’s most difficult public challenges” (Bryson et al, 2006, p. 44).

7.3.3 Acknowledging the institutional context

Stakeholder theory, with its descriptive, instrumental, and normative aspects (Donaldson and Preston, 1995), acknowledges the changing salience of the various parties involved (Vilanova, 2007) but fails to explicitly link these adjustments to the institutional context. Indeed, whilst it has long been held that the State can rebalance the bargaining power of stakeholders disadvantaged by prevailing institutions (De Brucker and Verbeke, 2007) to ensure costs and benefits are fairly distributed (Haezendonck, 2007), it seems the State, through planning law, has reduced the notion of stakeholder consultation to nothing more than an expensive bureaucratic exercise. This finding is the reverse of others who assert that managers:

“open their corporate decision-making processes to a higher level of stakeholder engagement . . . motivated by a desire to head off more objectionable direct governmental mandates and regulatory interference” (Carlton, 2006, p. 341).

Humphreys and his colleagues urge governments to make best use of their, *“regulatory, fiscal and planning levers”* (Humphreys et al, 2007, p. 343) if they are to ensure private sector airport infrastructure development is timely and appropriately sited. These planning levers may well be invoked to this end but do nothing to encourage stakeholder consultation’s collaborative aims of:

“more transparent decision making, more creative problem solving, and a greater likelihood of public agreement, acceptance, and support” (Lawrence, 2000, p. 617).

Indeed, UK planning arrangements perpetuate an institutionalised notion that ‘government knows best’ since the main criterion for successful planning applications and subsequent legal challenges is harmonisation with government policy, should one exist.

This situation results in managers adjusting their decision-making to fit with the institutional context. The context also defines which stakeholders have power and legitimacy, and therefore which of them has the most salience for managers in the decision-making process. In order to consider the whole, both aspects, the agency or free-will of airport managers as they make decisions and the effect of structure to constrain what they see as possible, need to be taken into account and kept analytically distinct - without conflating one into the other (Archer, 1996; 1998). It was evident during the interviews, particularly those with airport managers, that questions referring to structure resulted in puzzled looks and long pauses. On the other hand, questions related to agency (in all but those specifically related to the process for decision-making) drew a wealth of explanation, which seemed to flow easily from interviewees.

For the researcher then, making the social structures within the institutional context visible is no easy task. They have to be accessed as part of the whole, keeping questions open and encouraging respondents to be as reflexive as possible. Analytic distinction is then in the hands of the analyst, since structure exists not outside individuals but deep within that which they take for granted such that it becomes all but invisible. It is perhaps for this reason that March describes decision-making as:

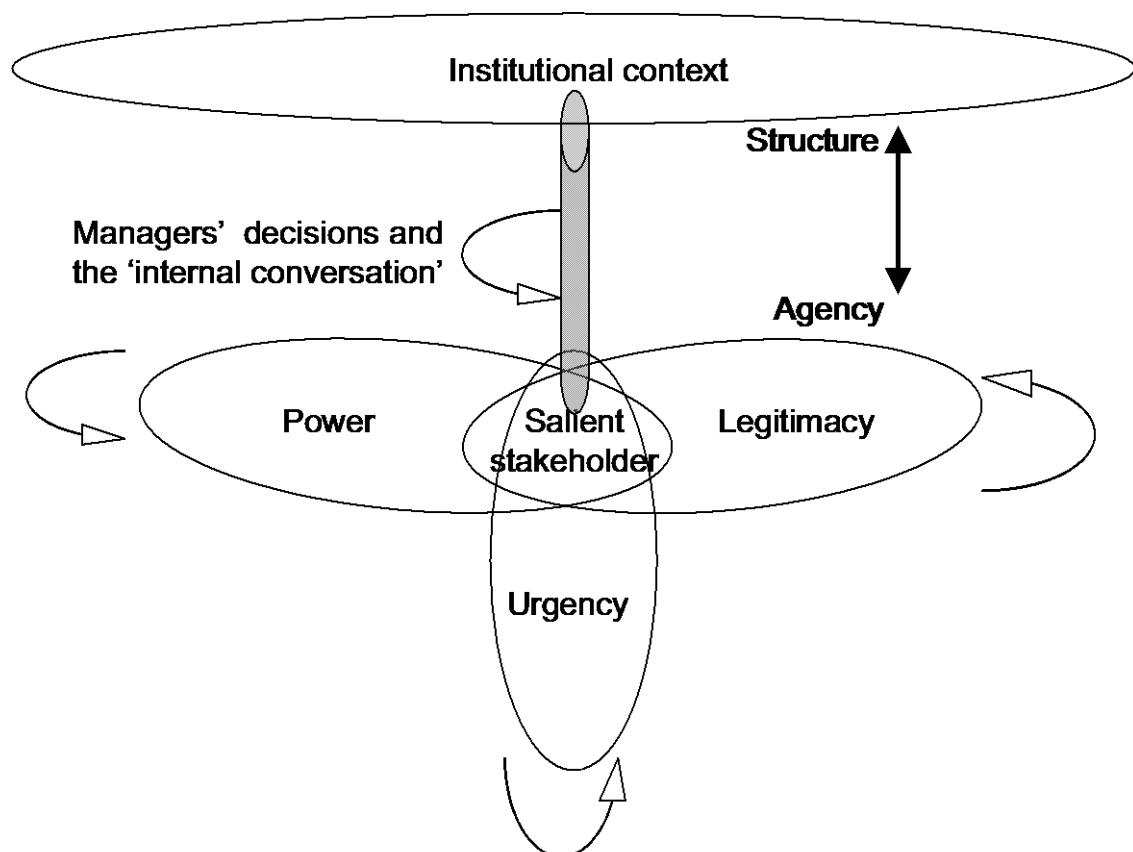
“a highly contextual, sacred activity, surrounded by myth and ritual, and as much concerned with the interpretive order as with the specifics of particular choices” (March, 1988, p. 14).

What March saw as myth and ritual is the obscurity of social structure. As other authors have found (e.g. Hedstrom and Swedberg, 1997), only a concerted search for the causal mechanisms acting when managers make decisions, in this case to finalise their master plans, will result in effective explanations.

Since it is the manager who is at the centre of both institutional and stakeholder theories, it is the manager this research focuses on and who provides the pivot between the structure imposed by prevailing institutions and the agency of individuals. This agency, where, *“agents reflexively deliberate upon the social*

circumstances that they confront” (Archer, 2003, p. 130) represents the internal conversation managers have about self and society. As Elder-Vass points out, it is specific groups of people, not society as a whole, who have social structural power (Elder-Vass, 2010, p. 4). The search for the saliency of those with this power is the province of both the stakeholder framework and institutional theory. Since social events are produced by the interaction of structure and agency (Elder-Vass, 2010), critical realism assists by focusing attention on the causal effects on decision-making of power from both the obscure social structure and from human agency. Figure 21 shows the interaction between the institutional context and the stakeholder framework, mediated by managers’ decision-making.

Figure 21 The connection between the institutional context and the stakeholder framework



Source: Designed by the author

Since the two planes are mediated by a pivoting managerial role, the diagram incorporates the potential for change. As institutional pressures alter, stakeholders will take on different levels of power and legitimacy, and managers, as they assess the current position as a frame to their decision-making, will see saliency move between groups or individual stakeholders, as described by Agle *et al* (1999), Jones *et al* (2007), Mitchell *et al* (1997), and Vilanova (2007).

7.3.4 *Section summary*

This section has discussed the relevance in this empirical study of the four *a priori* decision-making strategies suggested by the literature. Of these, only stakeholder theory's saliency of stakeholders and institutional theory's explanation of the taken-for-grantedness of the institutional context provided any useful explanation of the pressures on managers' decision-making. Neither planning literature's mid-point nor the search for innovative win-win solutions assisted. This discussion has concluded that the saliency of stakeholders (particularly their power and legitimacy) is determined by the institutional context, providing a link between the stakeholder framework and institutional theory. The following chapter focuses on the theoretical developments made through this research and their implications for practice.

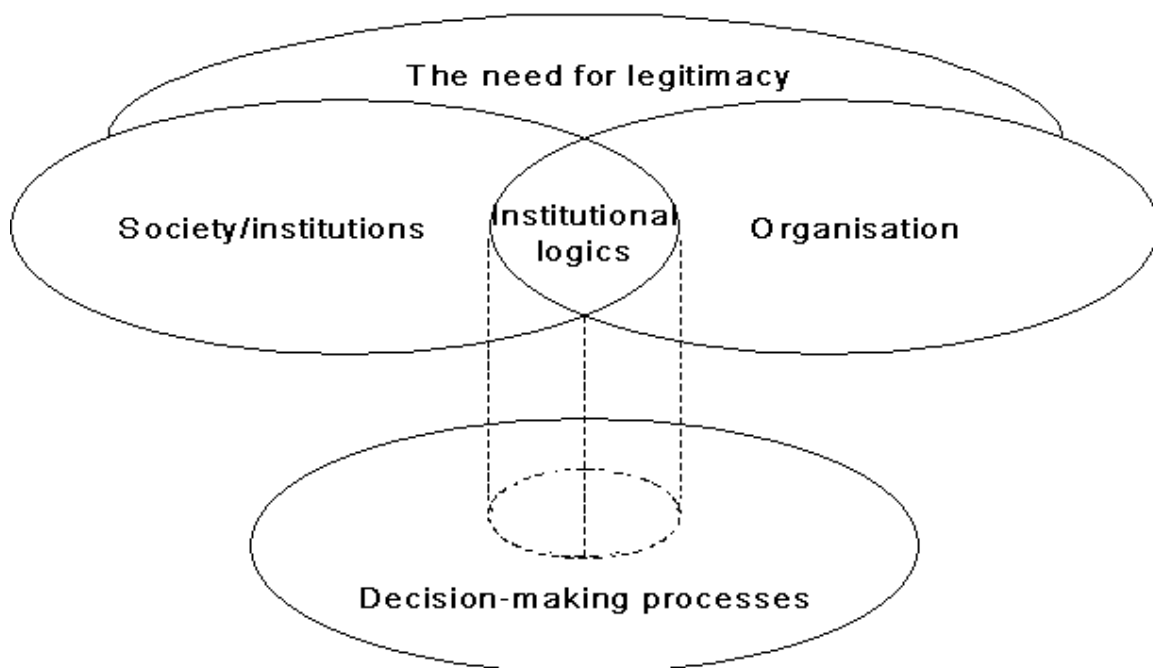
7.4 Institutional logics

The research discussed in this section takes up the challenge implied by Delbridge and Edwards (2013) and Reay and Hinings (2009) when they note that relatively few studies have examined the impact of competing logics on decision-makers. Institutional logics were one of the *a priori* themes this study used to investigate the research question. Without their application, the institutional context or social structure pertaining to this research could not have been so richly defined. These logics are capitalism (profit-based arguments), bureaucracy (regulation-based arguments), and democracy (individual rights-based arguments). Institutional logics mediate between society and organisations (Townley, 1997), guiding decision-making (Lounsbury, 2007) in fields such as airport master plan finalisation. Decision-making in the case airports investigated was so obscure it was invisible even to those whose responsibility it was to make decisions. It was therefore essential to invoke a lens that could look beneath the shroud of institutional taken-for-grantedness as depicted in Figure 22 on page 267. Looking back from the decision-making process through institutional logics has brought to light aspects of the juxtaposition between the airport organisations and UK society in which they are embedded.

One of the key findings under this theme is that, in the accounts given by interviewees, the bureaucratic logic was by far the most dominant, at least on the surface. This was a finding common to all case airports no matter how they are owned and is extrapolated in the sub-sections that follow. There are a number of explanations in the literature for the robust influence of the wider cultural framework and the limited differences found in local contexts. One is that decision-makers adopt responses to institutional pressures, “*within the constitutive order of what it means to be*” (Meyer *et al*, 2009, p. 78), in this case an airport manager. The work of Prahalad and Bettis (1986) in the field of strategic management, suggests that executives bring to their new organisation, ‘mental maps’ and behaviour that has been conditioned by their previous

employment. As such, the background of an airport manager may be shown to affect the logic of their actions or the “*learned problem-solving behaviour*” (Prahalad and Bettis, 1986, p. 491). Mutch (2009 p. 151) concurs, which raises the question of whether logics of action are transferred, possibly inappropriately, to private organisations from previously state/local authority controlled airports by managers retained in post.

Figure 22 Institutional logics as a lens to examine organisational decision-making



Source: Designed by the author

However, the managers in this study generally had no prior experience of stakeholder consultations at other airports. This is partly due to consultations being at an early stage for airports generally. Manchester Airport, as a local authority owned airport, do have a history of stakeholder consultation and was referenced by the other case airport managers. It is therefore possible that use of a relatively small pool of consultants accounts for the remarkable similarity in the way in which stakeholders are consulted, as discussed in section 7.2.

This study shows that airport managers undertake stakeholder consultations without protest, despite the great cost and time they incur for almost no direct output (i.e. very few changes are made between draft and final master plans). It is therefore possible that the purpose of stakeholder consultation can be deemed to be for legitimising purposes. Other studies (Barley and Tolbert, 1997; Oliver, 1991) have shown how institutional pressures compel organisations to become similar through their adoption of practices or structures considered acceptable in order to gain legitimacy and support (DiMaggio and Powell, 1991). Legitimacy can be gained by either norms of conformity or by norms of progress, depending upon which dominates in a particular organisational field (Green *et al*, 2009). A dominant norm of conformity ensures actors see the previous actions of others as 'best practice' and the more ubiquitous the use of these strategies, which are generally those that meet social expectations, the more legitimacy is increased for organisations copying others in the field (Deephouse 1996; Deephouse and Suchman, 2008). Conversely, norms of progress ensure organisations see following the lead of others as a failure to innovate or to develop cutting-edge practices and therefore decreases legitimacy (Green *et al*, 2009).

Since this study shows that the process of stakeholder consultation has tended to become similar (as have their physical design, systems, and other processes), isomorphism is likely to be the cause. The practice of stakeholder consultation has evolved in line with the socially created beliefs and cognitions that have become institutionalised and taken-for-granted - the way things are done at airports - and are the natural way to act (DiMaggio and Powell, 1991). Little innovation, even the use of Internet technologies and applications to encourage stakeholder involvement, has been employed. Since power is a key influence on decision-making, it is obvious that in a highly regulated field such as aviation, the State holds considerable influence, "*and often imposes uniform structures and procedures on organizations*" (Singh *et al*, 1991, p. 391). These imposed structures and procedures, which include the necessity to consult, may

have actually resulted in the stakeholder fatigue noted in the empirical findings, thus perversely discouraging stakeholder participation in the process.

The over-riding need for legitimacy has been included in Figure 22, which shows institutional logics mediating between society and organisations and as a lens for managerial decision-making. The following sub-sections consider decision-making through the lens of institutional logics, discussing the impact of each in turn before considering how logics coexist and act together in the field.

7.4.1 *Bureaucratic logic and the need for development*

Viewed through the lens of this institutional logic, bureaucratic control, particularly through the government's planning levers (see section 7.2.2 for further discussion), prevails in the field in spite of the privatisation of the UK's airports. This finding is in line with Powell (1991) and Edwards *et al* (2006) who emphasize that organisational decision-making is not purely technical nor based on market logics but shaped by social and political forces. Successive governments have preferred to meet demand for aviation by increasing infrastructure rather than managing demand through interventions such as taxation. The publicly declared reason for this is to preserve the nation's global economic status, including job creation, protecting the UK's major hub airport at Heathrow, and attracting or retaining multinational corporations close to the hub airports. However, airport development has always been a politically sensitive subject in the UK, with decisions on where to provide additional capacity continually postponed.

Progress in the field of aviation has suffered from political inability to gain cross party agreement in the UK and also cross border accord globally. Subsequently, infrastructure development in the UK has been piecemeal and the field of aviation has lacked a trajectory suggested by the early history of aviation and technological advances since that time. Competition and the free market were supposed to allow airports to meet the demands of customers without government intervention (Humphreys, 1999; Kay and Thompson, 1986).

However, without this state intervention and in the absence of a lasting government policy for aviation, airport development has been stifled for many decades. Some services, particularly those delivered by formally nationalised industries, show themselves to be particularly resistant to commercialisation. The following sub-section pursues the impact of the capitalist logic.

7.4.2 *Privatisation and the logic of capitalism*

The scriptwriters in the historical-cultural drama of the institutional complexities (Meyer, 2009, p. 42) we call airports are many and changing. At the point of privatisation, the UK's airports had the opportunity to take separate paths and to be influenced by different institutional rules. Some airports, such as those owned by the Manchester Airports Group, whilst of course needing to make a return on investment, appear to continue to focus on their role as aviation transport providers. Others bring institutional influences from other sectors and from outside the UK. Now privatised and in some cases under foreign ownership (Spanish in the case of London's Heathrow and Luton; North American in the case of London's Gatwick and City; New Zealand, prior to their sale, in the case of Kent and Prestwick), and supposedly with an overriding strategy for profit making, has left a considerable part of the UK's transport infrastructure outside sovereign control. Indeed, in capitalist systems, the law insists the board of directors are the ultimate decision-making body (Edwards and Wajcman, 2005), with a duty to maximise profit and increase short-term share price (Stacey, 2010).

Given this situation, we should see the bureaucratic role of the UK's airports as drivers of economic growth, transport hubs for passengers, and a key part of the national multi-modal freight network subjugated to the need to return a profit to shareholders. However, using the lens of the capitalist logic to understand decision-making processes in this study indicates that managers do not covertly make decisions to incorporate or ignore stakeholder contribution based on capitalist arguments. This type of argument was surprisingly absent from the interviews undertaken for this study. The over-riding impression was that the

bureaucratic logic dominated so strongly that few mentions of their legal duty to return a profit to shareholders were made.

However, it does seem unlikely that the capitalist/market logic is absent from decision-making, which relegates the “*accumulation and the commodification of human activity*” (Friedland and Alford, 1991, p. 248) to what might be described as stealth capitalism. Some activities – like stakeholder consultation – resist commodification so managers invest their efforts in the visible process of consultation and its associated public relations initiatives rather than in deriving any improvement to the master plan. This finding concurs with Foster (2009), who explains how late stage capitalism focuses managerial attention on the symbols of achievement over that of actual achievement. With this bureaucratic type of capitalism, it is therefore difficult to distinguish the bureaucratic logic from that of late stage capitalism.

7.4.3 *The democratic logic in stakeholder consultation*

Michael Porter’s work (1979, 2008) describes the role of management as aligning the internal competencies of an organisation with the opportunities or threats created by the external influences that act upon it. One of the contemporary threats to organisations is the accusation that they are, “*causing a host of environment-related and socio-political problems and of being insensitive to societal needs*” (Sethi, 1979, p. 63). Indeed, managers, and particularly airport managers, are under increasing pressure to recoup the loss of social credibility they have suffered because, as Sethi points out:

“*Business is a social institution and therefore must depend on society’s acceptance of its role and activities if it is to survive and grow*” (*ibid*, pp. 64-65).

Although Milton Friedman (1962) would have us believe the situation should be otherwise, an organisation’s responsibilities no longer stop at the economic and legal but increasingly include ethical and discretionary (or voluntary) expectations too (Carroll, 1979). When managers come under pressure to

comply with these notions of corporate responsibility – that is to exceed legal obligations and satisfy the economic, social and environmental expectations of an organisation's stakeholders (Molteni, 2006) – they have to make decisions on whether or how to modify strategy. However, invoking the lens of the democratic logic provided little enlightenment on the decision-making process managers go through to finalise their master plans.

This is perhaps surprising given that stakeholder consultation is built upon notions of invoking, "*Participation and the extensions of popular control over human activity*" (Friedland and Alford, 1991, p. 248). Indeed, with the growth of the concept of Corporate Social Responsibility, organisations are increasingly under pressure from, "*new multi-stakeholder convened global governance frameworks*" (Warhurst, 2004, p. 151) to be a force for positive good in society. This research shows that, other than those directly impacted by planned airport development, stakeholders do not partake in consultation even when directly approached. They therefore forfeit their opportunity to participate and to shape the future of aviation in the UK. It could be said that this abdication of individual responsibility is hardly the fault of airport managers. However, much more could be done to engage meaningfully with stakeholders and those considered fringe (Hart and Sharma, 2004), marginal (Savage *et al*, 1991), secondary (King, 2008), nominally powerless (Bryson, 2004), estranged due to their assumed adversarial relationship (Freeman and McVea, 2001), or non- stakeholders (Mitchell *et al*, 1997). Consultation is generally undertaken at a late stage (once a draft master plan has been prepared) and is much more akin to the 'decide-announce-defend' model described by the Environment Council (no date) than the 'participate-agree-implement' model it recommends.

In the aviation industry, the dominant paradigm impacting decision-making seems to be that growth is "*indisputable and good*" (May and Hill, 2006, p. 437) and planning and development seem based on the assumption that air travel will continue to grow. This is in spite of some stakeholders such as the Royal Commission on Environmental Pollution (2002, p. 37) expressing concern about

the impact of air travel on the environment and its contribution to climate change. It seems some sociologists, pointing to the contradictions of capitalism, might be correct when they note that oligarchy, defined as the capitalist executive class supported by the state's power elite, has replaced formal or substantive democracy in the UK (Scrambler, 2013). Indeed, the trend towards personal rather than governmental responsibility in areas such as health (e.g. numerous campaigns from the heavily promoted Look After Yourself campaign of the 1980s to the NHS website's Live Well in 2013) has manifested in airport stakeholder consultation. Individuals now have responsibility to participate by commenting on master plans. However, this study has shown that even airlines have difficulty engaging in stakeholder consultation because of a lack of expertise required to comment on such technically complex documents. Little wonder then that individuals and representatives from local businesses fail to engage in the process.

It is well noted in the literature that power is not only visible through its influence on decision-making but also in terms of its ability to prevent issues from entering the decision-making arena (Soneryd, 2004). Ackroyd describes power as ensuring, "*the perpetuation of existing patterns of advantage and disadvantage*" (Ackroyd, 2004, p. 147). The absence of meaningful discussion on aircraft fuel and noise issues, not at the level of individual airports but at national or indeed global level, is perhaps an indication of this power at work. Stakeholders may well be pushing for the resolution of societal conflicts brought about by corporations and exacerbated by state and market failures but we lack a "*world law giver*" (Steinmann, 2008, p. 134) in that there is no global political institution with the power to set and enforce global rules. Moulaert and Cabaret's (2006) question, "*is democratic planning under capitalism possible?*" rings with a lack of hope for democracy. How can the democratic logic, where democratic means "*equal opportunities of access to stakes in the decision-making process*" (Moulaert and Cabaret, 2006, p. 53), hold any sway when few have the expertise to comment on an airport master plan and planning law precludes stakeholders from understanding how decisions are made?

7.4.4 Coexistence of institutional logics

The previous sub-sections discuss how each of the three institutional logics considered in this research impact managerial decision-making in the finalizing of airport master plans. However, logics do not exist in isolation. Whilst the early literature downplayed institutional complexity by focusing on one or two dominant logics (Goodrick and Reay, 2011; Greenwood *et al*, 2010), the current literature highlights the interaction between logics. Findings from this study indicate little variance between case airports, with airport managers, their organisations, and the UK context in which they operate behaving in similar ways. (There were, of course, some differences, as reported in Chapter 6.)

Whilst this study shows the bureaucratic logic to be dominant in many instances, there can be little doubt that logics are competing for pre-eminence, particularly since the privatization of the UK's airports. This sub-section therefore discusses the degree of interdependence and conflict between the three key logics examined and how managers and organisations respond to the influence of multiple logics. Logics have been discussed individually in the preceding sub-sections. Here they are examined as ideal types, then in pairs before discussing their interaction together.

Ideal types

In order to discuss how logics interact, it is first useful to consider what the situation would be like under an ideal type (Thornton and Ocasio, 2008; Thornton *et al*, 2012), where only one logic holds sway in a particular field. Under an ideal bureaucratic state logic, the government would continue, as they had prior to privatisation, to determine where and when airport infrastructure is developed. Comparing this to the findings from this research, it is clear the government are using their planning legislation to achieve this goal, even though, since the 1986 Airports Act, the UK government no longer builds airports or adds runways (Department for Transport, 2003).

Under an ideal type capitalist/market logic, free and unregulated competition would allow consumer preference and choice to determine success (Freidson, 2001). Since the 1986 Airports Act, the government has no say in airport investment decisions and must allow shareholders and their representatives on airport Boards to take these decisions.

The ideal democratic type is more difficult to define. The perfect democracy would represent everyone fairly, with each citizen having an equal say in policies. However, the notion of an ideal type democracy is abstract with many inherent internal contradictions (Brittan, 1975). In essence, the people would decide on where and when airport infrastructure should be developed. Whether 'the people' would refer to local people or more generally to the people of the UK is an issue, as is whether this would reflect the wishes of a majority and what would be done to protect the concerns of the minority.

Bureaucracy and democracy

It is at government's insistence that airport management have incorporated the democratic process of stakeholder consultation into airport master planning. Such action suggests interdependence between the bureaucratic and democratic logics, where the former has acted as advocate for the latter. However, as section 7.2.2 above describes, planning law (part of the bureaucratic state) is focused on ensuring managers have heard the opinions of all interested parties during the process of consultation and does not require transparency in how stakeholder opinions have affected decision-making. It is therefore possible to make a connection between the two logics of bureaucracy and democracy, albeit sequential, with bureaucracy triggering a symbolic act of democracy, rather than acting in parallel.

An important aspect in this context is the role of citizens. As this research shows, individuals tasked with responding to stakeholder consultations may lack the skill or information required and may therefore choose not to participate in the democratic process. On the other hand, with the advent of online activism, groups of people are becoming increasingly able to make use of a

mechanism that was not available or fully employed even a few years ago. The strength of this organized activism has the potential to affect politicians by influencing their re-election. Therefore online activism may form a bridge between the bureaucratic and democratic logics, which, in the future, may conflict and interdepend more prominently.

Bureaucracy and capitalism

This research indicates an incongruity between the privatisation of UK airports and progressively more liberal government policies (capitalist logic), and an increase in bureaucracy. However, this finding could be explained by Foster's notion of late-stage capitalism (2009), which is typified by a concern for bureaucratic-type control of procedures at the expense of reliance on the expertise of professionals (Goodrick and Reay, 2011). This leads to the coexistence of bureaucratic and capitalist logics, giving rise to consideration of the meta-game (the imposition of higher order politicized end games - Grief, 1998) played by those who set the rules. For airports, this includes the government, regulators, and the legal system.

In this context, it is interesting to consider how government addresses the problem of airport development after giving up their rights of ownership. Indeed, this study has highlighted the importance of the planning process as a means - perhaps the only overt one - of control over otherwise market-based decisions. Of course, air travel is a global phenomenon and its historical path has been and will continue to be influenced by models emanating from society worldwide. Given airport managers need to be seen as legitimate by both regulatory (acceptance of an organisation by state agencies) and public endorsement (Deephouse, 1996), they actively seek to associate themselves with positive symbols in a manner that is "*purposive, calculated, and frequently oppositional*" (Suchman, 1995, p. 576). Indeed, stakeholder consultation, which managers carry out as an ongoing programme without performing calculations of efficacy and largely without protest, is, without doubt, an example of positive symbol association.

However, what may seem to be hijacking the symbolism of stakeholder consultation did not, as this research shows, appear cynical on the part of airport managers. On the contrary, compliance with the direction to consult with a wide range of stakeholders seemed so taken-for-granted – institutionalised – that it is not construed as a choice. The institutionalisation of bureaucratic processes is part of the nature of contemporary capitalism (Foster, 2009). Indeed, increasingly bureaucratic-type management (setting aims and objectives, continual monitoring of performance, measuring against targets, and the process of consultation with stakeholders) are the consequence, as with many other sectors, of the commercialisation of airports.

Capitalism and democracy

Freeman and colleagues (2007) refer to a constellation of the capitalist and democratic logics as “stakeholder capitalism”. Stakeholder capitalism combines the democratic logic with an overarching market logic in order to promote innovation. This combination was notably absent from the accounts given by respondents in this research. Indeed, there was little evidence of any real desire for innovation in the airport sector. Whilst this study did not explicitly focus on this topic, a review of the literature on institutional work and reflexivity indicates that recruitment practices in the appointment of senior airport management may be partially responsible (as discussed further in section 7.5.2).

There is, however, a wealth of evidence for contestation between these two logics, including, for example, the legal cases described in section 6.3. Legal cases and numerous ongoing protests by anti-airport development campaigners attest to the strength of the challenge between arguments based on different logics. Parties representing the democratic logic, such as local residents or NGOs, are only represented ‘at the table’ of stakeholder consultation at the behest of government but, perhaps more importantly for airport managers and their organisations, they play a key part of judicial planning inquiries. The democratic process is a necessary condition for the capitalist logic to be legitimised and requires airport managers to demonstrate that consultation with a wide range of stakeholders has been undertaken.

Interaction between all logics

Logics can interact in a variety of ways (Goodrick and Reay, 2011; Meyer and Höllerer, 2010) including coexisting amiably, perhaps where there is one dominant logic that guides behaviour with one or more subordinate logics in a particular context; coexisting temporarily; competing; replacing one with another; or merging. Goodrick and Reay (2011) also identify that some studies show that the relationship and competition between logics varies with different types of people, organisations, and places. However, it is now recognised that:

“fields do not necessarily evolve towards stability and convergence around a dominant logic, but often constitute sites of prolonged contestation – both latent and overt – in which multiple constituents prescribe and advance different logics” (Raynard and Greenwood, 2014).

Whilst this study shows that different logics can interact and do coexist, it also demonstrates the prevalence of a bureaucratic logic operating at an institutional level in the UK airport sector. This dominance is a legacy of the pre-privatisation era and seems to resist both other logics. The capitalist/market logic is often at play contesting the bureaucratic logic, particularly at an organisational level in privately owned and operated airports. However, the capitalist/market logic is frequently subsumed by a perspective that favours control and compliance. At an individual level, actors respond to democratic pleas for stakeholders' opinions to be heard, believing this to be the right way to behave, even though there is little or no evidence of the efficacy of stakeholder consultation. Indeed, the adoption of the democratic practice of consultation is rendered symbolic by the organisational focus on process rather than on outcome - a routine reinforced by UK planning law (as described in sub-section 7.2.2).

As a further comment on the role of stakeholders in the consultation process, Notteboom and Winkelmans', *“quest for the value balance point”* (2003, p. 259) as shown in Figure 6 on page 83, describes, from a planning perspective, the desire to reach a mid-point between the views of stakeholders. It is interesting to note that “stakeholder value” is set in the centre of this triangular model.

Whilst such an image may seem appealing, this study shows this may be an idealistic and unspecific notion: stakeholders are not a homogenous group and therefore cannot be placed together in the model, let alone at the centre.

7.4.5 *Section summary*

This section has discussed the utility of institutional logics as a mediator between society and organisations and as a lens for considering managerial decision-making. Decision-making from the perspective of bureaucratic, capitalist, and democratic logics in the context of airport master planning has also been discussed both singularly and as they coexist. The following section reflects on how the findings from this research contribute to the agency-structure debate.

7.5 Reflections on the agency-structure debate

One of the aims of this research is to contribute to the agency-structure debate, focusing specifically on integrating the stakeholder framework (on the agency side of the debate) within institutional theory (on the structure side). The tendency for theory to suppose that action is the result of choices and decisions made by rational actors (Meyer *et al*, 2009) has become the dominant paradigm. Business schools promote rational, analytical techniques of decision-making and practicing managers ostensibly follow their lead. Under this paradigm it has not been possible to reconcile stakeholder and institutional theories. Indeed, this research concurs with Geertz, who says:

“human beings are less driven by forces than submissive to rules, that the rules are such as to suggest strategies, the strategies are such as to inspire actions, and the actions are such as to be self-rewarding – pour le sport” (Geertz, 1980, p. 170).

On the other hand, institutional theory has been criticised for the prominence it gives to continuity and conformity (Mutch, 2007). The findings from this study show how a focus on managers and their decision-making can act as a link between the stakeholder framework and institutional theory. Figure 21 on page 264 in the previous section shows how the stakeholder framework can be integrated within institutional theory. This section develops and discusses the ways in which this integration is possible and how critical realism can assist this task.

7.5.1 Incorporating the stakeholder framework into institutional theory

The critical realist approach adopted by this research focuses on identifying the generative mechanisms at work in the field of study. Within critical realism, it is felt that both individualist (agency) and collectivist (structure) arguments are flawed, as neither, “*can furnish the basis for adequate social theorizing*” (Archer, 1995, p. 33). Instead, Bhaskar defines the need to focus first on the ontological

question of the properties that society possesses, and only then to move on to the epistemological question of how we might create knowledge about them (Bhaskar, 1998). Recognising the interdependence of structure and agency allows for the relative influence of each aspect to be investigated without conflating one into the other (Archer, 1996; 1998). Figure 21 on page 264 maintains these aspects of structural dualism.

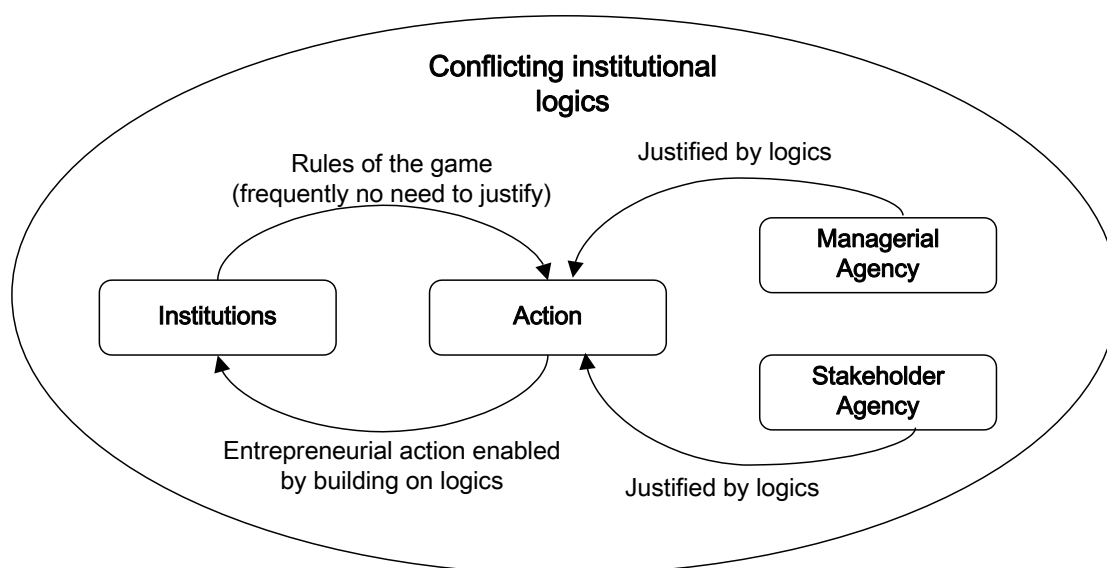
In terms of this study and its focus on incorporating the stakeholder framework within institutional theory, both theories focus on control and on finding positions of homeostasis (order and stability), largely ignoring the importance of fundamental change to the interactions within entire systems. With the stakeholder framework, it is assumed that managerial attention will rotate between stakeholders with the critical combination of power, legitimacy and urgency. This gives a range of possible stationary states. The model has no capacity to describe the movement from one state to another or to imagine a completely new state where the patterns of behaviour change of their own accord to produce a novel outcome. The theories also have no formative element, in that they fail to incorporate the influence of these different states on the formation of the next state. Only with recognition that human action is both influenced by and in turn influences the next state, will the theory be complete.

7.5.2 *Institutional entrepreneurship and new rules of the game*

For institutional theory, the ability to influence decision-making emanates from the power of the institutional background. The work on institutional entrepreneurship recognises the ability of humans to influence new institutional settings. This work acknowledges that agents are not mere pawns in the institutional game (Creed *et al*, 2002; Ekström, 1992; Mutch, 2007; Oliver, 1991) but have the ability to influence and to create new rules (Bhaskar, 1978). Figure 23 provides a graphical representation of institutions influencing and being influenced by managerial action, which in turn are subject to the influence of managerial and stakeholder agency. Whilst reproducing institutions - playing by the current rules - requires no particular effort, institutional entrepreneurs

make the effort to, “*go beyond the existing routines to elaborate and diffuse new ones*” (Lecca and Naccache, 2006, p. 633). This entrepreneurial potential is shown in Figure 23 by the arrow linking action to institutions. Ultimately however, all action is embedded in the frequently conflicting institutional logics at the deepest level (Lecca and Naccache, 2006) and the influence of these logics varies with context (Bhaskar, 1978; Delbridge and Edwards, 2013; Lecca and Naccache, 2006; Lounsbury *et al*, 2003).

Figure 23 Agency and institutional influence on action



Source: Designed by the author

It is perhaps the lack of effort required to play by the rules coupled with the considerable pressure from the institutional environment that airport managers operate under that explain the limited evidence for institutional entrepreneurship in the case airports. Of course, legitimacy is obtained by conforming to institutional demands and, in a field as heavily regulated as the airport sector, managers are under considerable pressure to be seen to respond appropriately. However, managers must respond to the challenge of institutional complexity and the demands of multiple competing logics. Raynard and Greenwood (2014, p. 2) argue that three key factors affect how organisations respond to

institutional complexity: 1) the extent to which logics are incompatible, particularly at an ideological level, 2) if a widely accepted prioritisation of logics in the field exists, and 3) the degree to which the jurisdictional claims of the logics overlap. This study concurs: in the airport sector, logics have not been shown to be compatible at an ideological level, as sub-section 7.4.4 shows. This study also highlights the effect on the outcome of contestation between logics when the law supports one logic over others, ensuring that managers prioritise the process of stakeholder consultation rather than its ideological intention. And of course, the privatisation of airports introduced jurisdictional tensions between the UK's regional and national economic needs and the desires and legal claims of shareholders.

Raynard and Greenwood categorise this type of institutional plurality as “*volatile complexity*” (*ibid*, p. 23). They identify the need for flexible organisational structures to respond appropriately and agilely to this situation. One particular structural option that may be of interest to UK airports is what Raynard and Greenwood term the “*network modular hybrid*” (*ibid*, p. 27). Under this structure, a diverse group of actors are brought together to champion different logics. It seems this may provide an interesting solution to decision-making following stakeholder consultation. Such a structure is used in social work and health care, where multi-disciplinary teams collaborate to make recommendations for the best quality care for their clients. Adopting a more dynamic, task orientated and innovative approach to the issues raised by stakeholders, where agents act as an advocate for each of the logics and or/stakeholders, may lead to more novel and beneficial outcomes for all concerned.

Focusing on individuals rather than on organisational practices as the reason for the lack of innovation in the airport section, it is possible that airport managers tend to be “*communicative reflexives*” (Archer, 2003), with, “*rich ties to a particular community*” (Mutch, 2007, 1130) in this case the airport sector. Communicative reflexives operate with the known and the given, seeking not to disrupt their contextual stability. The ‘internal conversation’ provides the link

between society and individuals and therefore between structure and agency (Archer, 2003). Reflexive actors will be attentive to historically shifting causal powers, which they do not experience uniformly but which act relatively and situationally.

Of those respondents who reflected on the change in institutional context post privatisation, several spoke of the dilemma between returning a profit for shareholders, acting in the interests of the regional economy, and doing right by stakeholders, particularly local people. It is not unusual for organisations to have to respond to institutional complexity (Goodrick and Reay, 2011; Raynard and Greenwood, 2014), even those involving the effects of legal institutions (Heimer, 1999). Perhaps, therefore, airport managers could be encouraged to deal with multiple institutional demands in a more pro-active manner, particularly reflecting on their ceremonial adoption of the practice of stakeholder consultation and how they might use this expensive exercise to gain competitive advantage through innovation.

Certainly respondents acknowledged a lack of innovation, some feeling this was no bad thing as it can be unsettling for others. Some respondents also expressed their feeling that others should take brave decisions rather than being in a position to innovate and challenge the status quo themselves. Certainly the consultation process appeared highly embedded in each airport's established practices. Although not a requirement of the master planning process, all case airports have a strategy of ongoing communication with their stakeholders, particularly local people. This allows the notion of airport expansion to become institutionalised, incorporated into the "*warp and weft*" of living near an airport and giving stakeholders no surprises when master planning time comes around.

Recruitment and promotion practices in airport management, particularly perhaps for roles associated with managing stakeholder consultation, may well favour the communicative reflexive. Institutional entrepreneurship, seeking to

change the known and the given, is the province of autonomous reflexives (Mutch, 2007), perhaps less likely to be seen as team players and even as rather maverick by senior airport management. These people, whose internal dialogues, *“do not need and do not want to be supplemented by external exchanges with other people”* (Archer, 2003, p. 201) would perhaps be unlikely to participate in stakeholder consultation quite as readily and without protest as those interviewed for this research. Further research would be required for this hypothesis to be tested.

Initial analysis indicated that managers at London City Airport displayed some level of institutional entrepreneurship, notably their use of consultation for marketing purposes. Although managers declared themselves to be innovation averse, the entire airport operation is somewhat distinct from the other case airports in that it targets a particular sector (business flights) and has an inner city location. The airport is the most recently constructed in the UK and the only example financed by the private sector from the outset. Even so, the airport ‘plays by the rules’ and their marketing spin on consultation has not substantially altered the process employed. More in depth analysis, rather than signifying London City’s institutional entrepreneurship, indicates the strength of the capitalist logic on airport managers. As Foster says:

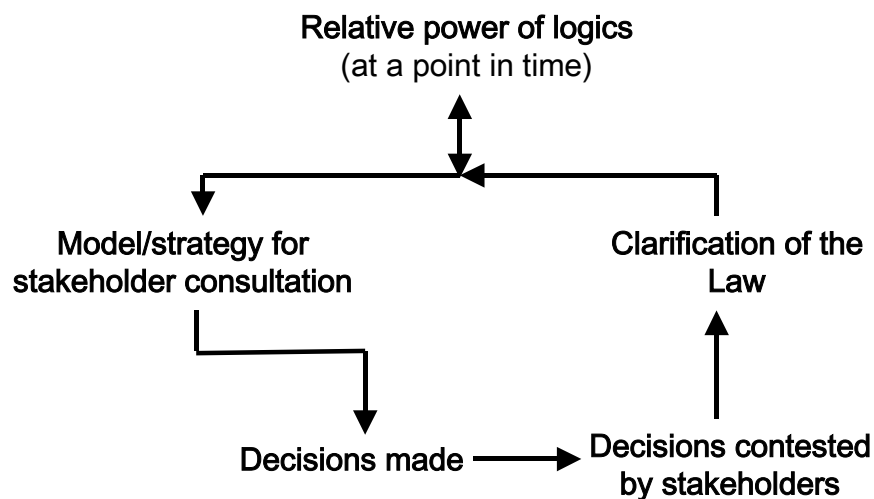
“In capitalism . . . all that is solid melts into PR, and late capitalism is defined at least as much by this ubiquitous tendency towards PR-production as it is by the imposition of market mechanisms” (Foster, 2009, p. 44).

7.5.3 Institutional logics and decision-making

The social forms identified at the deepest or real level (to use critical realism’s terminology) in this study are the institutionalised notions described in section 7.2 and the institutional logics discussed in section 7.4. Both assisted the description of a rationale for the behaviour of the subjects of this study. The literature review identified institutional logics as a theoretical link between stakeholder and institutional theories. Pursuing this theme, empirical research

identified the strength of the influence of planning law, part of the social structure, on the process of airport managers' decision-making. Nevertheless, clarification of the meaning of the law relies upon action taken from within the society to which the law relates (as with *Tesco Stores Ltd v Secretary of State for the Environment* [1995]). In this case, since airport managers continue to see bureaucratic pressures as dominating their reality and compliance critical to achieving capitalist objectives, decision-making is linked, as shown in Figure 24, to clarification of the law and the advice of legal specialists.

Figure 24 Relationship between institutional logics and decision-making



Source: Designed by the author

As decisions are made and contested by stakeholders, the law is clarified on specific points. This research provides the example of the legal validation of the right of management to keep decision-making criteria opaque. Figure 24 therefore shows the relationship between institutional logics as a generative mechanism and decision-making in the context of this study. The process (in terms of a model or strategy) for stakeholder consultation is then adjusted in light of any clarifications to the law, which in the case of airport master plan decision-making is currently dominated by planning law.

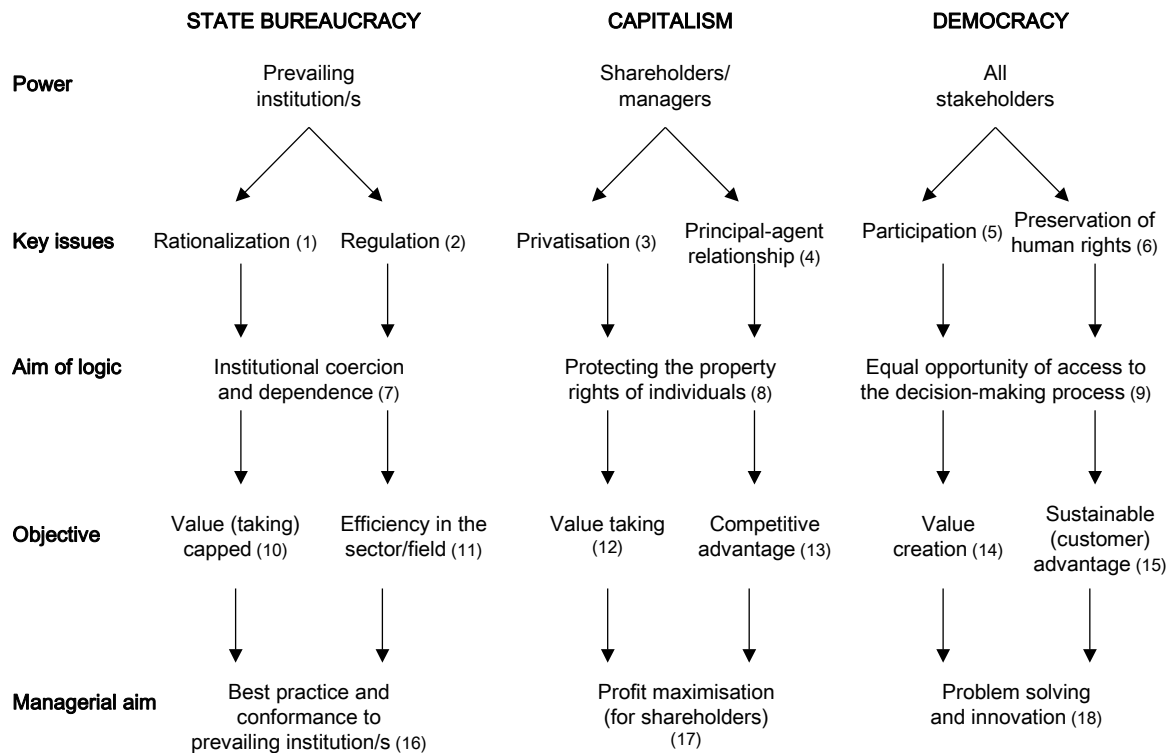
This cycle of stakeholder consultation process, decision-making, legal protest, and clarification of the law is likely to continue all the while the relative power of institutional logics remain the same. To complete this discussion, the following sub-section considers how this cycle might be disrupted by a change in the power of the prevailing institutional logic.

7.5.4 *Potential for change*

This study shows how the bureaucratic logic currently dominates decision-making in the case airports. However, transformative causality, where entities are forming patterns of interaction whilst concurrently being formed by these patterns of interaction (Stacey, 2010), indicates the potential for a shift in the dominant logic. Managers' views of stakeholders are dependent upon time and context and the interaction between them will necessarily produce a variety of outcomes, which in turn influence the next interaction. Following Prigogine (1997), it can be predicted that at some point stakeholder consultation and its influence on decision-making will reach a bifurcation point where stakeholder interactions or the airports themselves will spontaneously re-organise to take a completely different and unpredictable path. Therefore, any model of the causality of stakeholder influence on decision-making must incorporate the possibility for unexpected change and emergent novelty.

Figure 25 considers the effect on managerial decision-making of a shift from the dominance of the bureaucratic logic to one of the other logics. The figure shows how power would have to shift from the prevailing institutions that create emphasis on a state bureaucratic logic to favour either shareholders/managers for a capitalist logic to prevail or be spread amongst stakeholders for emphasis on the democratic logic. Compilation of the figure has drawn on numerous resources, of which some key sources are indicated.

Figure 25 Impact of institutional logics on managerial decision-making



Sources: Compiled by the author from Friedland and Alford, 1991 and the following sources:

- 1 Particularly the work of Max Webber
- 2 E.g. Majone, 1997
- 3 E.g. Parker, 2012
- 4 E.g. Eisenhardt, 1989
- 5 E.g. Schonfeld, 1975
- 6 E.g. Gould, 2004
- 7 E.g. Oliver, 1991
- 8 E.g. Rubin and Klumpp,
- 9 E.g. Moulaert and Cabaret, 2006, p. 53
- 10 E.g. Sugden, 1993
- 11 E.g. Oum *et al*, 2004
- 12 E.g. Friedman, 1962
- 13 E.g. Barney, 1991

14 E.g. Freeman and McVea, 2001

15 E.g. Freeman *et al*, 2007

16 E.g. Overman, S. and Boyd, K. 1994

17 E.g. Sundaram and Inkpen, 2004

18 E.g. Parmar *et al*, 2010

Figure 25 highlights how control of the institutional context and influence over the dominant logic is vital to determining the outcome of managerial decision-making. This study shows the strength and persistence of the bureaucratic logic, even in the face of the privatisation and commercialisation of the UK's airports. The question therefore remains as to where the impetus for change might come from. Since rationalist causality gives primacy to efficiency and short-term maximisation of profits (Stacey, 2010), Freeman's notion of stakeholder capitalism and value creation and trade (VC&T) may simply represent a return to Kantian philosophy. His desire may be to re-incorporate the ethical principles of rational choice that have been missing from the rationalist causality implied by more recent management science with its "*reflex-like responses to stimuli*" (Stacey, 2010, p. 35). On the other hand, disruption to the status quo may require the employment of autonomous reflexive-types (Archer, 2003) who are more likely to be institutional entrepreneurs (Mutch, 2007).

VC&T implicitly recognises the link between the power of institutions and the power of stakeholders and attempts to provide a normative ethically focused response to recent economic unrest and uncertainty. Within Freeman's notion of value creation and trade lies recognition of the failure of managerial capitalism and its more recent progeny, investment/financial capitalism, which Foster refers to as late stage capitalism (Foster, 2009). The stakeholder framework, which serves to support VC&T by allowing managers to identify their key stakeholders, requires further recognition that managers are the pivots upon which institutional pressure acts, which this study addresses (see Figure 21 on page 264). Nonetheless, this research found little evidence that

managers are concerned with innovation and the value creation Freeman advocates. This is perhaps exacerbated by the weakness of the democratic logic, evidenced by scant stakeholder involvement in master plan consultations. Stakeholders might declare they believe consultation to be a vital part of their democratic right but have acted as if it were a meaningless gesture. So whilst airport managers' token consultation with stakeholders is the ornamentation of the law, stakeholder cynicism, evidenced by lack of participation (although it is noted that more recent use of the internet has led to increased online activism), may have reached the level of ideology.

What causes this cynicism and how might it affect the role of airport manager? Indeed, what would it be like to have really useful stakeholder consultations on airport master planning? With the privatisation of airports, bureaucracy was supposed to be reduced, if not eradicated, in favour of the efficiencies of the market. However, bureaucratic measures, in a decentralised form, have intensified under neoliberal governments (Fisher, 2009). Stakeholder consultation forms part of an endless, albeit decentralised, hyper-inflated bureaucracy noted in many aspects of social life such as education and health. The transition from engagement and involvement to detached spectatorship noted by Fisher, where the focus of stakeholders' attention is evaluated in terms of personal monetary value, defines stakeholder participation as a pragmatically symbolic exercise designed to shore up planning law's pseudo-democratic process.

Bureaucratic-type capitalism has resulted, where, since the focus is on process rather than outcome, managerial attention is on evidencing procedure, as shown in this study. Goodrick and Reay also note this change, where professionals, *"Rather than being valued primarily for their expertise ... are increasingly expected to meet standards of both effectiveness and efficiency."* (2011, p. 373) The Chinese Communist Party first used the term 'bureaucratic capitalism' in the 1940s where it referred to, *"the use of political power for private pecuniary gain through capitalistic or quasi-capitalist methods of*

economic activity” (Conway, 2012). In this instance, the definition and evolution of bureaucratic capitalism is rather different. Unlike political bureaucracy, with bureaucratic capitalism, control of the managerial process is de-coupled from any type of ideological movement.

This is new territory and little wonder then that managers seem confused about their role: Are they the economic development officers of pre-privatisation or the handmaidens of shareholders, legally responsible only for returning a profit? Because of the extent of bureaucratic control from within the capitalist logic itself, managers cannot now replicate either the role of manager carved out during the nationalised phase of airport ownership or rely on the rational, analytical techniques taught by business schools. History documents the changes to the managerial role; from the pre-war stewards of society’s resources, through the separation of managers from leaders (Zaleznik, 1977) to the role of CEO’s as industrial statesmen who manage relationships with stakeholders such as government and regulatory bodies (Stacey, 2010). If managers are to continue to be, “*particularly influential participants in the ongoing conversation*” (Stacey, 2010, p. 157) a further adaptation to their role is surely required.

7.6 Summary

This chapter explores the potential to incorporate the stakeholder framework within institutional theory through the medium of institutional logics. As such, three models are presented: The first, shown in Figure 21 on page 264, shows the connection between the institutional context and the stakeholder framework. The figure describes how the saliency of stakeholders, as perceived by managers, is rotated, driven by the prevailing institutional context. In a UK airport setting, this context includes:

- The normative isomorphic pressure for stakeholder consultation
- The coercive pressure on the decision-making process deriving from English planning law
- The adversarial and oscillating nature of Central Government policy
- A mimetic response to the nature of local authority development plans

Figure 23 on page 282 depicts how the agency of managers and stakeholder influence and are influenced by the institutional context. Figure 24 on page 286 describes the relationship between institutional logics and decision-making, with particular reference to the key institutional pressure on airport managers, namely planning law. The chapter discusses how using institutional logics as a lens allowed the investigation of how opinions of stakeholders influence changes between draft and final airport master plans. The discussion centres on describing the generative mechanisms that impact managerial decision-making in this context, adding to the exciting body of work that shows critical realism in action. This chapter concludes by outlining the potential for change in the sector. The next chapter concludes the study by reviewing its achievements against the pre-defined aims and objectives, outlining its main contributions, and pointing to the implications for management and policy.

8 CONCLUSIONS

8.1 Introduction

This study set out to discover how airport managers decide to incorporate stakeholder contribution in their final master plans. This is a previously underexplored area of investigation with serious implications for practitioners and the policy-makers who have handed responsibility for bureaucratic-type processes to private sector managers, and with great potential for theoretical development. The UK has a long tradition of consultation (Brodie *et al*, 2009), deriving from the British Colonial Office's experiences (Hickey and Mohan, 2004). However, this study shows that, in spite of considerable and costly stakeholder consultations, little change is made to draft master plans and almost no innovation results. This confirms Weiss' point that a fundamental structural change is required if stakeholder opinion is ever to become integral to how business operates (Weiss, 1995).

Expecting managers from private sector airports to demonstrate the benefits of democratic participation when government has failed seems unfeasible. Airports in the UK face a variety of difficult issues and simply replicating very similar processes for consultation throughout the sector cannot have efficacy as a long-term strategy. Indeed, long-term damage to value creation can be caused by focusing on the dominant group in strategic decision-making (Freeman *et al*, 2007), even if that 'group' is planning law. As Hargrave and Van de Ven (2009) point out, even those who benefit from the status quo may become frustrated with the lack of dynamism in the airport sector. It is therefore from within the sector, from senior management, that change must come. Reflecting on the potential to derive value from stakeholder consultation should become as important as ticking the boxes of the legal process.

The airport sector, privatised in the UK ahead of most of the rest of the world and facing many well-publicised crises, provides an interesting and unique

opportunity for academic exploration, particularly for organisational and sociological theory. Indeed, the extant literature provides a firm theoretical grounding for this thesis. This study focused on a contribution to the problem of agency and structure and presents a means by which to integrate the stakeholder framework within institutional theory, addressing an opportunity to contribute to knowledge pointed to by Freeman and his colleagues (Parmar *et al*, 2010). Employing a focus on the sometimes contradictory ideologies called institutional logics (Alford and Friedland, 1985) allowed a deep inspection of the causal mechanisms at work as managers make decisions to finalise their master plans. Indeed, the impact of competing logics, which underpin stakeholder opinion including that of airport management, on actors has been paid only limited attention (Reay and Hinings, 2009). Given the lack of a, “*widely accepted economic model of the internal decision-making of firms*” (Kelsley and Milne, 2006, p. 566), a critical realist perspective and a focus on competing institutional logics proved illuminating.

8.2 Overview of the study

This study examined how airport managers incorporate stakeholder contribution in their final master plans. Investigation centred on four case airports, each with different patterns of public and private sector ownership. Two managers who had been involved in finalising the master plan were interviewed from each airport. Their accounts were supplemented by interviews with a range of other stakeholders and industry experts. Findings from the study show that managers do focus on their salient stakeholder, as predicted by stakeholder theory. However, their analyses of who has the most power are very much dictated by their institutional context. With the case airports and at this moment in time, local authorities and particularly their planning departments proved the most salient. Because of this, the bureaucratic logic dominated in decision-making associated with finalising airport master plans. Even so, it is noted that it is managers who act as the fulcrum between the institutional context and their stakeholders as shown in Figure 21 on page 264. However, none of the airport managers in the study used a defined process to make their decisions about how and whether to incorporate stakeholder contribution in their final master plans. Neither did they set out to innovate either in the process of consultation or in working to provide win-win solutions to the problems raised by stakeholders.

To conclude the thesis, Table 8.1 reviews achievement against the aims and objectives set out at the commencement of the study. It also considers the contributions made to academic and practitioner knowledge. The research had four aims, the resolution of which ran parallel throughout the study. These aims and their underpinning objectives were introduced in Table 1.1 on page 9.

Table 8.1 Meeting the aims and objectives of the study

Aim 1: Explore the potential to incorporate the stakeholder framework within institutional theory through the medium of institutional logics	
Objective 1a: Define the overlaps and tensions between stakeholder and institutional theories.	Detailed in Chapter 2, this research found that whilst both theories recognise the conflict created for organisations with multiple stakeholders, stakeholder theory has, to date, largely been ignored by institutional theorists.
Objective 1b: Provide an account of consultation and decision-making from institutional and stakeholder perspectives.	Detailed in Chapter 4, the various accounts of consultation and decision-making resulted in the derivation of four <i>a priori</i> strategies for decision-making from the literature.
Objective 1c: Produce a framework integrating the stakeholder and institutional literatures.	As described in Chapter 7 and shown in Figure 21, this work shows how the institutional pressures acting on managers rotates and affects their view of who are the salient stakeholders.
Aim 2: Investigate how the opinions of stakeholders influence changes between draft and final airport master plans	
Objective 2a: Provide a detailed analysis of the institutionally situated and complex motivations, interests, and power at play when airport managers update their master plans to final versions.	Analysis of the findings uncovered causal mechanisms in the institutional context that influence airport managers' decision-making. These are described in Chapters 6 and 7.

Objective 2b: Establish whether institutional context varies and what causes any identified variation.	This was investigated at the empirical stage of this study. Research found some variation in context relative to the airports' ownership but a more general conformance to similar institutional pressures.
Objective 2c: Investigate whether or not the way in which the institutional logics of stakeholder arguments are prioritised is dependent upon the context in which the airport operates.	Following from objective 2b, empirical research found that variations in context were attributable to ownership's effect on the preferred institutional logic.
Objective 2d: Show the awareness, skill, and reflexivity of managers in the decision-making process.	As detailed in Chapter 6, managers were perplexed by questions about their decision-making process. They were, however, able to provide sufficient information to allow causal mechanisms in the institutional context to be exposed. Notably, whilst some airport managers did reflect upon the efficacy of stakeholder consultation none refused to undertake the process. Neither did they question how consultation could be better used as an enabler to decision-making.
Objective 2e: Provide a narrative of how individual and collective actors understand their institutional context.	Also described in Chapter 6, aspects of the institutional context that act as causal mechanisms are deeply embedded and generally taken-for-granted by airport managers. Chapter 7 discussed how these aspects impact the narrative of airport managers as they describe how they take

	account of stakeholder contribution.
Objective 2f: Define the boundaries of action possible within the institutional context.	Chapter 7 focused on what airport managers see as possible courses of action in the sector, bound as they are by their institutional context. In particular, four institutional pressures impact managers: The normative isomorphic pressure for stakeholder consultation; the coercive pressure on the decision-making process deriving from English planning law; the adversarial and oscillating nature of Central Government policy; and a mimetic response to the nature of local authority development plans.
Aim 3: Add to knowledge of critical realism in action	
Objective 3a: Carry out a study consistent with this philosophical approach.	From the outset, this study relied upon critical realism's focus on uncovering the causal mechanisms pertinent to decision-making as airport managers finalise their master plans.
Objective 3b: Analyse and present the findings so as to focus on exposing the causal mechanisms at work.	Every effort has been made to produce a thesis that maintains critical realist's philosophical perspective and adds to the body of knowledge being developed with this approach.
Aim 4: Inform and improve management practice and government policy	
Objective 4a: Inform airport managers so they can improve the way they handle stakeholder participation in	Chapter 7 describes the issues facing airport managers as they make their decisions to finalise master plans. The chapter also describes the ways in which managers

master planning.	currently take account of stakeholder contribution. Whilst the chapter focuses on the current position, it also details where potential change might emanate from and how this change might affect the current situation.
Objective 4b: Bring to the attention of government policy makers the way in which the current context affects stakeholder participation in airport master planning so future policy can be more effective.	Chapter 7 has described the way in which UK planning law, current government policy, and the prevailing social context impinge upon stakeholder participation in airport master planning. Chapter 8, in the following section, draws attention to how policy makers might address the issues raised in this thesis.

8.3 Main contributions

On completion of any lengthy study the researcher will undoubtedly reflect upon whether the research was worth undertaking and on whether knowledge has been gained that was previously unknown. In this case, the value of the study has been four-fold: Firstly, the study has contributed to theoretical development of an element in the agency-structure debate. Specifically, this work contributes to knowledge by developing a framework that places structure, the institutional context of the airport sector, firmly at the core of the stakeholder framework. In addition, a focus on institutional logics in decision-making has confirmed the work of others who show the utility of the approach. Indeed, theory has been used extensively in this study, with many confirmed and others contradicted. Some, like the stakeholder framework, have been augmented to take account of institutional theory.

Secondly, the study responds to the research question, “How do airport managers incorporate stakeholder opinion in their final master plans?” The study of fields with coexisting logics is of increasing interest to academics and the airport sector has provided an exciting opportunity to contribute to this research. The empirical study describes how airport managers currently appear to preference the bureaucratic logic, focusing on the economic benefits airports bring to regions in their arguments. Conversely, arguments based on the capitalist logic are noticeably absent. However, this study draws attention to how late-stage bureaucratic-type capitalism, where the focus is on compliance with procedure rather than on outcome, is impacting stakeholder consultations. The study also highlights four key institutional pressures acting upon managers as they finalise their master plans and describes a situation that has been resolved by the ceremonial adoption of a practice, in this case stakeholder consultation. Finally under this aim, four theoretical decision-making strategies were assessed empirically, contributing to the literature by examining their utility in an airport master planning context.

Thirdly, the study contributes to the growing body of work from a critical realist perspective. Taking a critical realist perspective has brought to light a number of issues that might otherwise have remained concealed. The search for causal mechanisms that determine the context in which airport managers make decisions about incorporating stakeholder contribution in their final master plans has been illuminating. Of most note is the robust and constraining nature of the institutional context and the extent to which it dictates the free will and efficient economic decision-making of agents.

Lastly, stakeholder consultation is a relatively new procedure for airport managers and comes with little or no guidance on how to decide which stakeholder contribution to include and which to ignore. The contribution to practice of this study is therefore significant. This research defines the boundaries of action possible within the institutional context pertaining to the airport sector. This knowledge has the potential to enhance the awareness and reflexivity of managers during the decision-making process. In particular, the study has highlighted the potential for a different type of response to the need to consult with stakeholders by organisations and airport managers.

Considering the worth of the study also revives the desire to address Bauer and colleagues concern for the fourth dimension of research strategy (Bauer et al, 2000) indicated in Chapter 5. This dimension queries what happens to research once complete, particularly to the emancipation of the subjects of the research and, in this case, participants in stakeholder consultation too. This study has highlighted the merely symbolic nature of the stakeholder consultation process and made visible the minimal impact stakeholder contribution has on decision-making to finalise airport master plans. It is hoped this transparency will encourage all parties, including managers, consultees, and policy makers, to instigate full and frank discussions on the future of stakeholder consultation in airport master planning. Stakeholder consultation continues to become *de rigour* in an ever-growing number of situations. If it is not to be simply an elaborate and costly burden on the private sector, policy-makers will need to

address the current legal and political constraints to productive stakeholder participation. Table 8.2 summaries the contributions. The table shows where each of the domains, the empirical, theoretical, methodological, and practical applications have been revealed, developed or generated.

Table 8.2 Main contributions to knowledge

Domain	Revealed	Developed	New
Empirical	The use of Institutional and stakeholder theories for examining stakeholder consultation and decision-making	Understanding of how managers view stakeholder consultation and the decision-making strategies they employ	The critical role of institutional context, particularly planning law, on decision-making in an airport context
Theoretical	The effect of agency and structure on stakeholder consultation in the airport sector	The relative importance of the three institutional logics in airport master plan decision-making	The link between stakeholder and institutional theories
Methodological	Semi-structured interviews enable collection of rich data across three critical realist dimensions	Decision-making data collected from a previously unstudied group (airport managers)	-
Practical	The relevance of stakeholder consultation to decision-making in master planning	Strategies for decision-making in airport master planning	The flaws in the concept of stakeholder consultation

8.4 Further research and implications for practice

This study has raised a number of questions, particularly those in Chapter 7 sub-section 7.5.4, the answers to which would continue to illuminate how decisions are made about incorporating stakeholder contribution in the field of airport master planning. For example, what would it be like to have really useful stakeholder consultations on airport master planning? It seems that to instigate any change at least one of the actors in the field - airport managers, core or fringe stakeholders, or politicians – would have to act as an institutional entrepreneur, manoeuvring to derive gain from any change they might bring to the situation. Further research might consider where the impetus for change might come from. Conversely, research could centre on who is it that prefers the status quo and who will resist any change to either the managerial role or to the institutional context in which airports operate.

Further research might focus on the notion of value creation (Bansal, 2004; Freeman, 2006; Freeman *et al*, 2007) through innovation to provide win-win solutions to stakeholder concerns. It would seem beneficial to strengthen the link between traditional stakeholder theory, with its focus on identifying the salient stakeholder, and Freeman's Value Creation and Trade. This study shows there is potential to explore this relationship through the lens of institutional theory and entrepreneurship. The UK airport sector would also provide an interesting setting to add to the literature on entrepreneurial work as well as reflexivity and the internal conversation (Archer, 2003).

This study considers the decision-making process at one point in time, when the most recent master plans were finalised. Additional research could take a longitudinal approach, detailing how decision-making processes and the institutional milieu in which they take place change over time. This would be particularly interesting in relation to changing patterns of ownership, for example airports owned or formally owned by BAA, or London Stansted airport that has recently changed hands. Stansted has been part of a nationalised industry, denationalised under BAA's initial privatised form, privately held by non-UK

owners, and now reverted to local authority ownership under the MAG banner. As yet there has been no detailed evaluation of the efficacy of stakeholder consultation and the opportunity for impact or cost/benefit studies would perhaps be illuminating. Of course, the airport sector provides an interesting and complex site for a wide range of theoretical investigations in the social sciences including the study of organisations, sociology, and policy.

8.4.1 *Implications for management*

This study shows that managers in the airport sector, like many others, find themselves in situations where they must cope with institutional complexity. In particular, they report a dilemma; are they responsible for the economic well being of the region in which they operate or are they responsible to shareholders as the law demands? It would be too easy to say that these two forces act together in the interests of the organisation – they clearly do not always do so. Stakeholder consultation is a costly exercise; to make it useful would surely be in the interests of shareholders and stakeholders alike. The implication for management is therefore to make stakeholder consultation useful rather than wasting this costly and time-consuming opportunity. Certainly rather more modern forms of communication would help to reach reluctant participants, particularly the young. The use of new media applications could be considered as could random sample surveys, perhaps using the dB noise contours to encourage participation in the target population.

If the symbolic-only nature of stakeholder consultation is to change, managers will need to consider whether they work to maintain the status quo or take the lead and perhaps control any revolution that might take place. Policy may very well not change; it has not done so in the past half-century or more. The norm circle of resistance (Cresswell *et al*, 2013; Elder-Vass, 2010) is unlikely to be spun by stakeholders if they are cynical of participation, suffer from an asymmetry of information, and are without the necessary expertise. The impetus for change may therefore come, not from governments, airport companies or stakeholders but from social movements. Airport managers must

be ready to embrace the new and disruptive, and to harness opportunities for innovation. This may mean revising their current arrangements and perhaps employing consultants from disciplines other than planning. It may also entail eschewing hyper-inflated bureaucracy to enable value creation and innovation in the sector.

8.4.2 *Implications for policy*

Recommending policy change is never easy, particularly in cases where, as with stakeholder consultation, the practice in question is widely accepted as a 'good thing'. Change often requires the impetus of a legitimisation crisis (Habermas, 1975), caused if either public confidence in stakeholder consultation were to be lost or deinstitutionalised. Whilst this study shows that airport managers respond to the normative isomorphic pressure of stakeholder consultation, other types of stakeholder, such as individuals, businesses, and even airlines, frequently do not participate when invited. Non-participation and widespread cynicism on the part of the UK public may be an example of passive revolution, which is, "*characterised by complex historical upheavals' leading to the transformation of capitalist modernity*" (Morton, 2012).

Ideological commitment to the world-system that is capitalism is ubiquitous. Capitalist systems gain loyalty from individuals because they believe they can derive some benefit from its perpetuation (Wallerstein, 1974). However, co-opting stakeholder consultation as a symbol of democracy where individuals believe they can influence policy, or in the case of airport master plans, a private organisation's strategy, may be but a short-term expediency. As Wallerstein points out:

"whenever the tenants of privilege seek to co-opt an oppositional movement by including them in a minor share of the privilege, they may no doubt eliminate opponents in the short-run; but they also up the ante for the next oppositional movement created in the next crisis in the economy. Thus the cost of 'co-option' rises ever higher and the

advantages of co-option seem ever less worthwhile” (Wallerstein, 1974, pp. 414-415).

Contrary to the expectations of participating stakeholders, planning law actively encourages black box decision-making. In this case, black box means that the process used to decide whether or not to modify draft master plans in the light of stakeholder contribution is not open and transparent. The advice given by planning consultants to airport managers is not to disclose their weighting (or details of any other decision-making method) of stakeholders’ contributions. The predicted increased use of this type of consultant means airport companies are likely to continue with this strategy, increasing stakeholder cynicism and reducing their participation even further. The consequence of this sequence of events is that opportunity for innovation that occurs when managers attempt to create win-win solutions for all stakeholders is lost. However, an increase in political activism supported by online platforms means that airport managers and government might be unprepared for any changes that result. This activism may seek to rectify the lack of political consensus over global issues concerning aviation that this study indicates are stifling innovation such as new fuel sources and quieter aircraft engines.

To protect the democratic process, encourage participation, and stimulate innovation in the sector, government needs to tackle the issues raised in this study. Rectifying the gap between stakeholder consultations’ desired and actual effect is potentially fundamental to the future of the UK’s airport infrastructure. Government policy needs to reflect these serious problems. In particular, addressing the effect of the black box element of planning law on decision-making is vital. Policy should also seek to rectify the advantage some parties gain through the asymmetry of information and skills amongst participating stakeholders. Indeed, all consultation processes should be examined so the causal powers at work in the decision-making arena are transparent and allow a truly democratic process to be viable.

8.5 Personal learning and reflections

My interest in this topic derives from the desire to be involved in the betterment of the UK airport sector. Airports are a key part of global and national transport infrastructure. They are also the stuff of dreams, bringing families and loved ones together and giving access to experiences and lives that we could only imagine without the rapid transit aircraft provide. Since the early years, when travelling through an airport was the glamorous preserve of the wealthy, the sector has experienced a wide variety of issues and attracted increasingly negative attention. From politics to the environment, from land use to terrorism, from noise to congested surface access, managing airports, now privatised, is not an easy task.

We have to guard against “*reflexive impotence*” (Fisher, 2009, p. 21) where belief that we cannot do anything about a situation is a self-fulfilling prophecy. Instead, a belief that change is possible, that there are other possibilities, underpin my motivation to make a difference. To really bring about change requires challenging the institutionalised assumptions that confine decision-making. This necessitates a firm grounding in the literature and the rigour of academic critique. My supervisors and their colleagues at Cranfield University, together with input from a range of other academics, has continually challenged my own assumptions and demanded reflection on my academic and professional practice. Engaging with the critical realist debate and particularly attending workshops with the Critical Realism In Action Group stimulated my interest and reflexivity in equal measure. The group’s own reflexivity, energy, and their body of work could not but inspire my own.

I believe independent academic research is vital to the future of our society. Whilst in many ways (particularly financial) I would have benefited from the guidance of a sponsor, without one I have been able to reach whatever conclusions the data I collected dictated. But the data indicates just how strong the case is for institutional theory’s structure over agency. Since meta-reflexivity

indicates a concern for community interests (Archer, 2012; Scrambler, 2013) and therefore some form of agency if the taken-for-granted is to be resisted, this constitutes a problem. The problem is not confined to the theoretical; my research highlights the lack of participation in stakeholder consultation, which may well be linked to public cynicism and decline in activism generally. A lack of agency or at least the lack of will to employ agency will, at the least, perpetuate the status quo but more likely exacerbate the hyper-inflated bureaucracy we are witnessing throughout our society.

The PhD process has been, in equal measure, a fascinating and challenging experience. I will never be the same again nor will I ever again have the opportunity for such personal growth and academic development. The transition from MBA to PhD has not been an easy one for me and I am eternally grateful to Cranfield University for their guidance and encouragement through my darkest hours. Perhaps being a non-academic has allowed a naïve questioning of what might otherwise have been taken-for-granted - institutionalised - and therefore invisible to those with a tradition of scholastic research. Critical realism reminds us that the future is not a blank and empty canvas; generative mechanisms already fill the space but we, as human beings with free will, can make a difference.

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Appendix 1: Definitions and Abbreviations

Definitions

Actors	Individuals, nation-states, and the organisations deriving from them.
Airport master plan	An airport master plan “ <i>presents the planner’s conception of the ultimate development of a specific airport</i> ” (ICAO, 1987, p. 1-2.)
Consultation	The Environment Council describes consultation as a ‘decide-announce-defend’ process instead of their preferred ‘participate-agree-implement’ process attributed to stakeholder dialogue. The CBM, a Christian Development Organisation, define consultation as, “ <i>A technique of social interaction where opinions of all stakeholders are sought before a decision is made</i> ” ¹³ . Perret (2003, p. 386) defines consultation as having the aim of generating responses to a prepared proposal.
Decision	A commitment to action (Mintzberg <i>et al</i> , 1976)
Field	A subject, topic, or area of academic interest or specialisation. Also used interchangeably in this study with ‘sector’, to mean a part of the national economy such as the private sector or the airport sector.
Institutions	<p>“<i>Institutions are descriptions of reality, explanations of what is and what is not, what can be and what cannot. They are accounts of how the social world works, and they make it possible to find order in a world that is disorderly.</i>” (Meyer <i>et al</i>, 2009, p. 80)</p> <p>“<i>Social structures that have gained a high degree of</i></p>

¹³ http://www.cbm.org/en/tree/CBM_EV_EN_baumbart_18664.html (accessed 23 April 2010)

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	<i>resilience</i> ” (Scott, 2001, p.48); or “ <i>Supraorganizational patterns of human activity by which individuals and organizations produce and reproduce their material subsistence and organize time and space</i> ” (Friedland and Alford, 1991, p.243)
Institutional effects	Effects that feature institutions as causes (Jepperson, 1991, p. 153)
Institutional explanations	Explanations that feature institutional effects (Jepperson, 1991, p. 153)
Institutional theories	Theories that feature institutional explanations (Jepperson, 1991, p. 153)
Institutionalism	A theoretical strategy featuring institutional theories that seeks to develop and apply them (Jepperson, 1991, p. 153)
Institutional logics (also the logics of institutions)	Alford and Friedland (1985, p.11) define logics as, “ <i>a set of practices – behaviours, institutional forms, ideologies – that have social functions and are defended by politically organized interests</i> ”. Institutional logics in modern capitalist societies include the contradictory logics of democracy, bureaucracy, and capitalism (Alford and Friedland, 1985).
Isomorphism (in institutional theory)	The tendency for organisations to come to resemble one another, to take the same form, given the same institutional pressures (DiMaggio and Powell, 1991)
Legitimacy	“ <i>A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values,</i>

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beliefs, and definitions” (Suchman, 1995, p. 574).

“The extent to which the stakeholder group’s relationship with the firm is socially accepted and expected” (Jones et al, 2007, p. 150). Meyer describes legitimacy as “an established and elaborated accounting theory that links situations and structures to collective purposes” (Meyer et al, 2009, p. 85)

Organisational field *“[T]hose organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product customers, regulatory agencies, and other organizations that produce similar services or products” (DiMaggio and Powell, 1983, p. 148)*

Planning In the context of the ‘planning literature’, planning is defined as the control of infrastructure development by a government authority. In particular, planning in the context of this study relies on the distinction made by Flyvbjerg (1998) between the ideal rationalities of benevolent planners and the real decisions made by planners in practice.

Power *“A major intervening variable between an initial condition, defined largely in terms of the individual components of the system, and a terminal state, defined largely in terms of the system as a whole.” (March, 1988, p. 117)*

“The ability of the stakeholder group to bring about outcomes that it desires, despite resistance” (Jones et al, 2007, p. 150).

Sector Used interchangeably in this study with ‘field’, to mean a part of the national economy such as the private sector or the airport sector.

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Stakeholder	There are more than 55 definitions of the term 'stakeholder' (Friedman and Miles, 2006). In this study the term is defined as all those parties that were involved in or could have been involved in the airport consultation process. This includes shareholders, airport managers and employees, airline representatives, local people, national, regional, and local government, regulatory agencies, environmental agencies and groups, and the various NGOs.
Taken-for-grantedness	Jepperson (1991, p.147) defines taken-for-granted objects as, " <i>those that are treated as exterior and objective constraints</i> " and says that taken-for-grantedness is distinct from comprehension, conscious awareness and evaluation.
Urgency	" <i>The degree to which the stakeholder group's claim is time sensitive and of critical importance to the group</i> " (Jones <i>et al</i> , 2007, p. 150).

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Abbreviations

BAA	British Airports Authority
BHX	Birmingham International Airport
CAA	Civil Aviation Authority
CBA	Cost-benefit analysis
CC	Communications and collaboration (planning theory)
CSR	Corporate social responsibility
DIP	Deliberative inclusive process
DfT	Department for Transport
EASA	European Aviation Safety Agency
EIA	Environmental Impact Assessment
EU	European Union
EUROCONTROL	European Organisation for the Safety of Air Navigation
FAA	Federal Aviation Administration
GIP	Global Infrastructure Partners
ICAO	International Civil Aviation Authority
ICT	Information and communications technology
LCC	Low cost carrier
LCY	London City Airport
LDDC	London Docklands Development Corporation
MAN	Manchester Airport
NGO	Non-governmental organisation
SCBA	Social cost-benefit analysis
STN	Stansted Airport
STOL	Short Take Off and Landing
UK	United Kingdom
USA	United States of America
VC&T	Value creation and trade
WW2	World War Two

Appendix 2: Literature Review Methodology

Introduction

A comprehensive literature review helps to build a robust case for an academic research paper and this appendix describes the methodology used to prepare for this review of the literature. The purpose of defining a methodology prior to commencing a literature review is to provide a means of identifying all papers that are relevant to the review question and, ultimately, to the research question and to define how the synthesis of the arguments and ideas of these authors will be undertaken (Galvan, 2006; Mongan-Rallis, 2006). However, in management research, whilst undertaking a comprehensive review of the literature and reducing the possibility of bias are key to the exercise, allowing the researcher sufficient creative input into the review process is also an important element of the iterative design of the methodology (Tranfield *et al*, 2003). As such, a process consisting of three main stages was defined.

In the first stage, a clear statement of the problem under investigation preceded an iterative process to identify the main bodies of literature interrogated in the literature review process. The three fields of literature identified have been 'mapped' and are shown in Figure 26. The second stage was to prepare a preliminary review of the literature in the fields identified in the first stage. This review relied mainly on seminal texts and on key airport-related papers as shown in Table A2.1. The third and final stage, to complete a comprehensive review of the literature, relied on a focused search strategy to ensure all relevant information was included. This strategy took the findings from the preliminary review as its starting point. It then set out the parameters for the search strings used and detailed the evidence resources to be included in the search. This stage culminated in the presentation of the bibliography for the literature review.

Amalgamating ideas from the three bodies of literature provides a deeper understanding of how stakeholders' opinions are incorporated into the master plan used in the strategic planning for an airport's development and operation. The three questions to the literature inform the research question and provide

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the context for the 'research conversation'. In the context of the UK's airports and the development of infrastructure, understanding the effect of stakeholder and institutional power on managers' responses should prove useful to both practitioners and academics. Indeed, airports provide a rich and interesting context for the study of this phenomenon.

Defining the review problem

As the first stage in preparing a methodology it is vital to have clearly defined the problem under review. This was an iterative process but is described linearly in the following sections.

Formulating a problem

The process of airport development post-privatisation is driven by the airport owner's production of a master plan that takes account of stakeholder views through a consultation process. The many stakeholders involved have very different opinions on when, where and indeed if airports are developed, as is often widely publicised in the media. These opinions are not only conflicting but seem irreconcilable, as the arguments put forward are built on very different underpinning assumptions that lead to contradictory lines of reasoning. For example, if the foundation for an argument is environmental (such as CO₂ emissions from aircraft contributing to the destruction of the ozone layer endangering our atmosphere and therefore our world) this line of reasoning would lead to the conclusion that to expand airports and therefore the opportunity for more aircraft movements would not be logical. However, an argument based on the role of airports in driving economic growth, of maintaining or increasing the competitiveness of a region, would logically conclude in support for airport development.

Given the fundamentally different logic of these arguments, how stakeholders' concerns are taken into account and evidenced by the changes made between the draft consultation document and the final master plan forms the basis of this research and literature review questions. The first question to the literature is therefore:

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1. Who are an airport's stakeholders and which of them most influence managers' decisions?

The second question to the literature is aimed at uncovering the foundations of stakeholder argument, to explore how and why they differ. If managers are to find ways to address conflicting stakeholder opinion, an understanding of the roots of the differing arguments is likely to be key.

2. How do these stakeholders form their opinions?

The airport sector and particularly the process of deciding on major infrastructure investment such as additional runways or terminal buildings, is typified by the attention of many stakeholders. Conflict, and therefore the need for managers to resolve conflict, arises from the fundamental differences in stakeholders' arguments and this research considers how managers address these issues by incorporating or excluding them from the final version of the master plan. This research aims to employ theories derived from both stakeholder and institutional literature in the context of a planning environment to answer the third question to the literature: -

3. What does the literature say about how managers address conflicting stakeholder opinions?

Mapping the field

A lengthy iterative process assessed the bodies of literature shown below to ascertain those that provided the most potential to answer the review questions:

- Airport economics
- Airport development
- Airport planning
- Airport privatisation and commercialisation
- Argumentation theory
- Austrian School economic theory
- Conflict resolution
- Corporate Social Responsibility

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- Decision-making
- Government regulation
- Institutional theory
- Inter organisational relationship theory
- Investment decision-making
- Performance management
- Performance measurement
- Power
- Public policy on privatisation
- Public utility planning
- Regulatory influence on private sector organisations
- Social theory/influences
- Stakeholder theory
- Strategic planning/theory of competitive strategy

In order to make the review of the literature more manageable and indeed possible, it was essential to establish the boundaries of the literature reviewed. Two main areas, stakeholder theory and institutional theory, have been identified for their potential to shed light on the questions posed. It was perhaps inevitable that stakeholder theory would appear in the shortlist of literature aimed at addressing a research question that focuses on how the opinions of different groups involved or affected by the development of airport infrastructure. As Freeman points out:

“The stakeholder approach is about groups and individuals who can affect the organization, and is about managerial behaviour taken in response to those groups and individuals” (Freeman, 1984, p. 48).

The concept of the saliency of stakeholders and their ability or inability to attract the attentions of managers has proved central to this study. However, stakeholder theory places managers at centre stage, with the capability (whether or not they are cognisant of it) to decide which stakeholder group to

Appendix 2: Literature Review Methodology

preference in their decision-making and which, for the time being perhaps, as saliency is transient (Vilanova, 2007), to ignore. For this reason institutional theory has also been merged with stakeholder theory to provide a contrasting view of the influences on decision-making. Where managers and their relationships with stakeholders are central to stakeholder theory, institutional theory describes the external forces that influence managers and may even be taken-for-granted, unquestioned or seen as simply 'the way things are done'. It seems, therefore, the relatively untapped field of institutional logics may provide a productive approach to developing stakeholder theory.

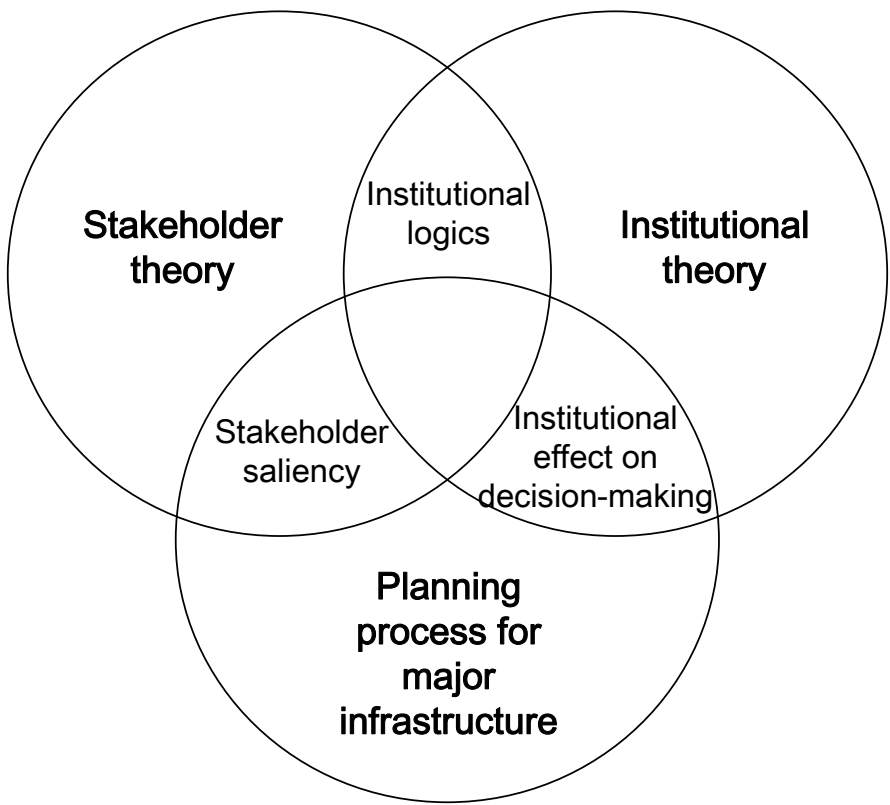
In order to gain a more airport-focused view, a third body of literature covering the planning process for major infrastructure will also be investigated. This literature is likely to include not only airport-related contexts but also that of ports, other transport infrastructure planning and potentially planning for major public or previously public companies such as utilities and hospitals. Although the decision-making literature is outside the bounds of this review, an understanding of how and why managers take note of certain arguments may help understand the underlying and taken-for-granted assumptions and stakeholder orientation of the managers involved. How managers choose which arguments to address and which to ignore, provides a context in which to link stakeholder and institutional theories to the planning literature. A 'map of the field' that bounds this literature review can be shown diagrammatically, as in Figure 26.

Amalgamating ideas from the three bodies of literature may provide a deeper understanding of how stakeholders' opinions are incorporated into the master plan used in the strategic planning for an airport's development and operation. The three questions to the literature will inform the research question and provide the context for the 'research conversation'. In the context of the UK's airports and the development of infrastructure, understanding the effect of stakeholder and institutional power on managers' responses should prove

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useful to both practitioners and academics. Indeed, airports should provide a rich and interesting context for the study of this phenomenon.

Figure 26 Mapping the field



Locating and selecting key studies

At the ‘defining the problem’ stage of the research process, the texts shown in Table A2.1 were identified from the literature within the boundaries set by mapping the field and have been used to shape the nature and scope of the study so far. These texts, which include academic papers and published books, were located through an iterative process of defining and redefining the research problem.

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Table A2.1 Preliminary stage key texts

AIRPORT AND PLANNING LITERATURE		
Title	Author/s	Year
Stakeholder Engagement: A Mechanism for Sustainable Aviation	Amaeshi, K. and Crane, A.	2006
A Good Practice Guide to the Assessment and Management of Noise Disturbance Around Northern Ireland Airports	ARIC, Centre for Aviation Transport and the Environment, Manchester Metropolitan University	2003
Institutions, Regulation, and the Evolution of European Air Transport	Brueckner, J. and Pels, E.	2003
The institutional theory approach to transport policy and evaluation. The collective benefits of a stakeholder's approach: towards an eclectic multi-criteria analysis	De Brucker, K. and Verbeke, A.	2007
An application of stakeholder analysis to infrastructure development: The case of the 'DHL super-hub location choice	Dooms, M., Macharis, C. and Verbeke, A.	2007
Airport Regulation: Reflecting on the Lessons from BAA plc	Francis, G. and Humphreys, I.	2001
Transport project evaluation: Extending the social cost-benefit approach	Haezendonck, E. (ed.)	2007
Privatisation and commercialisation: Changes in UK airport ownership patterns	Humphreys, I.	1999

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UK Airport Policy: Does the Government Have Any Influence?	Humphreys, I., Ison, S. and Francis, G.	2007
Institutional drivers and impediments in the context of current transport projects	Notteboom, T. and Winkelmanns, W.	2007
Dealing with stakeholders in the port planning process	Notteboom, T. and Winkelmanns, W.	2003
Airport Privatization – Success or Failure?: The Airport Performance Scorecard – A Theoretical Assessment Tool	Zakrewski, D.	2006
STAKEHOLDER THEORY		
Title	Author/s	Year
Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values	Agle, B., Mitchell, R. and Sonnenfeld, J.	1999
Stakeholder Capitalism	Freeman, R., Martin, K. and Parmar, B.	2007
Who Gets to Decide? The Role of Institutional Logics in Shaping Stakeholder Politics and Insurgency	Mattingly, J. and Hall, H.	2008
Towards a theory of stakeholder identification and salience: defining the principle of who and what really counts	Mitchell, R., Agle, B. and Wood, D.	1997
Neither Shareholder nor Stakeholder Management: What Happens When Firms are Run for their Short-term Salient Stakeholder?	Vilanova, L.	2007

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INSTITUTIONAL THEORY		
Title	Author/s	Year
Powers of Theory: Capitalism, the State, and Democracy	Alford, R. and Friedland, R.	1985
Bringing Society Back In: Symbols, Practices, and Institutional Contradictions	Friedland, R. and Alford, R.	1991
Institutions, Institutional Effects, and Institutionalism	Jepperson, R.	1991
Expanding the Scope of Institutional Analysis	Powell, W.	1991
The New Institutionalism in Organizational Analysis	Powell, W. and DiMaggio, P. (eds.)	1991

Preliminary review of the literature

Purpose of the preliminary review

The preliminary literature review formed an important part of a progress review paper, submitted to an expert panel consisting of Dr. Romano Pagliari (supervisor and Director of Full Time MSc Course in Airport Planning and Management), Dr. John Towriss (supervisor at the time and Senior Lecturer in Logistics and Transportation), Prof. Peter Morrell (Chair in Air Transport Economics and Finance), and Dr. Ivan Li (School of Engineering). Feedback from the panel has been incorporated into the second iteration of the literature review and into its proceeding focused search strategy.

Presenting preliminary results

The preliminary review defined 22 key texts and referenced 50 authors. The texts identified at the preliminary literature review stage and shown in Table

Appendix 2: Literature Review Methodology

A2.1 have been evaluated and analysed in order to answer the three questions to the literature:

- Who are an airport's stakeholders and which of them are managers attentive to?;
- How do these stakeholders form their opinions?; and
- What does the literature say about how managers address conflicting stakeholder opinions?

These results were presented in the preliminary literature review paper under the following headings:

- Stakeholder communication in the master plan process
- Airport stakeholders
- Classifying stakeholders
- Salient stakeholders
- Institutional theory and transport
- Stakeholder logics
- Conflict resolution
- Equilibrium
- Stakeholder capitalism
- Conclusions

Preliminary findings

The preliminary review of the literature focused on how airport managers responsible for the airport master plan stakeholder consultation process might decide which stakeholder opinion to take account of, which to ignore or at least take less account of, and how to manage conflicting opinions. The review concluded that managers have three options when in these circumstances:

- A tendency towards the salient stakeholders' opinion

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- A desire to find equilibrium between stakeholders' arguments
- A move towards the reconciliation of conflict

These findings are drawn from a combination of all three of the main bodies of literature reviewed.

Rationale for improving the preliminary review

This second comprehensive iteration of the literature review was seen as essential for a number of reasons. Firstly, the preliminary review relied heavily on seminal articles but uncovered few relating specifically to the use of institutional logics in theory development. A focused search strategy remedied this situation by uncovering articles and theses the preliminary search did not find. Secondly, the comprehensive review focused on exposing papers that augmented the findings from the preliminary review, specifically the ways in which managers may react to stakeholders' input into the master plan process as described in the previous sub-section. In addition, the review accessed papers describing the methodologies that have been used by empirical researchers to provide answers to questions relating to stakeholders' institutional logics.

Preparing for a comprehensive review

The preliminary review of the literature provided a starting point for the final comprehensive literature review. The data and the method used to seek, extract, analyse and synthesise it has provided a valuable starting point, which has been improved and updated in an iterative process to define the methodology used for the comprehensive literature review and the empirical research that followed.

Focused search strategy

In order to comprehensively review the literature within the three fields identified and shown in Figure 26 as stakeholder theory, institutional theory and the planning process for major infrastructure, a focused search strategy was developed and implemented following the presentation of the preliminary

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literature review and the receipt of comments from the academic panel. The strategy has two strands. The first commenced with the identification of key search terms from the three questions to the literature, which were used to locate texts from the data sources detailed previously. The second strand took the findings from the preliminary review and deconstructed the three 'managerial options' (tendency towards the salient stakeholder opinion, equilibrium, or conflict resolution) to identify key search terms. The search strategy can be summarised as follows:

Table A2.2 Two-strand search strategy

Strand	Focus	Subject
1 st	3 preliminary literature review questions	Who are an airport's stakeholders and which of them most influence managers' decisions?
		How do these stakeholders form their opinions?
		What does the literature say about how managers address conflicting stakeholder opinions?
2 nd	3 managerial options derived from the literature	Decisions based on salient stakeholder's logic
		A position of equilibrium between stakeholder logics is sought
		Managers attempt to reconcile stakeholders' conflicting needs

Review question search strings

Instigated by clinical reviews, the PICO format¹⁴ suggests considering a review question from four viewpoints:

¹⁴ Information provided by a number of clinical research websites such as <http://www2.warwick.ac.uk/services/library/main/tealea/sciences/medicine/evidence/pico/>

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- Population or problem: Who or what?
- Intervention: How?
- Comparison: What is the main alternative?
- Outcome: What is being accomplished, measured, improved or affected?

In order to identify and select key studies from the bodies of literature shown in Figure 26, the following process has been used to define the search strings to be used in the literature review:

- a) Identify the key terms from the research questions by using the PICO strategy
- b) Include alternative spelling and synonyms (Boolean search OR) of key words
- c) Validate the draft search strings by checking with the literature identified prior to the systematic review (see Table A2.1)

The key words and search strings that will be used in the review are shown by review question as follows:

1. Who are an airport's stakeholders and which of them most influence managers' decisions?

Population:	Airport stakeholders
Intervention:	Influence
Comparison:	Other stakeholders
Outcomes:	Managers' attention/decision-making

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Table A2.3 Search strings for review question 1

Construct	Keywords	Search strings
Airport stakeholders	Airport Stakeholder Interested party Third party	airport AND stakeholder* OR interested part* OR third part* OR 3 rd part*
Influence	Influence Interest Power Affect	influence* OR interest* OR power OR affect*
Managers' attention/ decision-making	Attention Decision-making Decide Choice Judgement	attention OR decision* OR decide* OR choice* OR judgement*

2. How do these stakeholders form their opinions?

Population: Stakeholders
Intervention: Theory
Comparison: Conflicting opinion
Outcomes: Opinion

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Table A2.4 Search strings for review question 2

Construct	Keywords	Search strings
Stakeholders	Stakeholder Interested party Third party	stakeholder* OR interested part* OR third part* OR 3 rd part*
Theory	Theory Proposition Hypothesis Assumption	theor* OR proposition* OR hypothes* OR assumption*
Conflict	Conflicting Opposing Contradictory Disagreeing	conflict* OR opposing OR contradict* OR disagree*
Opinion	Opinion Argument Explanation Justification	opinion* OR argument* OR explanation* OR justification*

3: What does the literature say about how managers address conflicting stakeholder opinions?

Population: Managers
Intervention: Stakeholder opinion
Comparison: Address
Outcomes: Conflict resolution

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Table A2.5 Search strings for review question 3

Construct	Keywords	Search strings
Managers	Manager Management	manager* OR management
Opinion	Opinion View Belief Institutional logic Assumptions	opinion* OR view* OR belief* OR institutional logic* OR assumption*
Address	Manage Administer Control Handle Cope Address	manage* OR administer* OR control* OR handle* OR cope OR address
Conflict resolution	Conflict resolution Resolve Mediate Agreement Solution	“conflict resolution” OR resolv* OR mediat* OR solution* OR agree*

These key words and search strings were submitted to an Information Specialist at the Kings Norton Library, Cranfield University, Heather Woodfield, for her endorsement. The process of validating the draft search strings against the literature identified at the preliminary review stage commenced immediately following the review panel meeting.

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Search strings from preliminary review findings

The second strand of the search strategy took the findings from the preliminary review of the literature and sought the literature on the four possible strategies for action for managers as they react to stakeholder communication in the airport master plan process. These four strategies, detailed in the literature review shown in Chapter 4, are:

- The institutional context within which the airport manager is working defines what he/she sees as the possible range of outcomes.
- Decisions are based on the argument put forward by the dominant stakeholder's logic with little or no attempt to resolve the issues raised by other stakeholders.
- A position of equilibrium is sought, where each of the stakeholders gives way on their ideal position to achieve a middle ground position.
- Managers attempt to reconcile stakeholders conflicting needs by creating a problem solving culture, where developing sustainable solutions involves a degree of innovation.

These options have been broken down to provide search strings as follows:

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Table A2.6 Search strings for management options

Management option	Key words	Search string
Institutional context	Institutionalisation, taken-for-granted	Institution* AND theory AND decision-making OR influence
Salient stakeholder/ dominant logic	Salient, saliency	dominant AND stakeholder AND logic stakeholder AND influence AND manage* AND logic*
Equilibrium between stakeholder logics	Equilibrium, mid-point, balance,	stakeholder AND equilibrium OR balance point OR middle ground
Reconciliation of conflict to provide win-win solutions for stakeholders	Dispute resolution	solution AND problem AND innovation AND stakeholder

Collecting data

At the preliminary review stage, the evidence resources used included a number of search engines, particularly ABI (Proquest), EBSCO and Google Scholar, the Kings Norton library catalogue and text recommendations. The search engines used in the comprehensive review of the literature covered the following:

- IBBS/EBSCO (Business Source Complete)
- Scopus.com
- ABI (Proquest)
- Google Scholar (for modified searches only)

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These resources cover the field of advanced management research and include air transport management texts and the contents in current issues of key journals, including Academy of Management Journal and Airports International. In addition, the following sources of information were included:

- Bibliographies/reference lists Review bibliographies/reference lists from sources already collected
- Journals not cited in the databases Sourced through citation indexes, recommendation by information specialist or supervisor, and through the set up of alerts to relevant publications
- Conference papers Sourced through recommendation by supervisor or industry specialist
- Books Sourced through citation indexes to track landmark publications, recommendation by information specialist or supervisor, and library catalogue search
- Working papers or unpublished papers Sourced through citation indexes, dissertations and papers included on the Cranfield Collection of E-Research (CERES), recommendation by information specialist, supervisor or industry specialists
- Theses Sourced through Networked Digital Library of Theses and Dissertations the available at <http://www.ndltd.org>
- Documents on the internet including reports from relevant institutions: companies, public bodies, etc. UK government, EU and industry documents pertaining to airport master planning will be sourced through an internet search. In addition to Google Scholar, a more general Google/Yahoo search will be made but with careful

Appendix 2: Literature Review Methodology

consideration of quality of text.

- Personal requests to knowledgeable researchers and/or practitioners Personal requests will be made to fill any gaps in the resources identified although this approach is expected to be more relevant to the empirical research stage of this project

Data extraction covers categories of information such as:

- Citation information (such as author, journal, year)
- Descriptive information (such as country, sector, industry)
- Methodological information (such as empirical/theoretical, positivist/critical postmodernist, quantitative/qualitative/case study/survey)
- Thematic information (including key concepts, ideas, theories, approaches)
- Key findings

Data extraction results

The results of the data extraction exercise form the basis of the references used in this thesis.

Analysing data and presenting final results

Once the data extraction part of the process was complete and the categories of information displayed in spreadsheet format as described above, all research papers, books, dissertations, etc. will be appraised and a decision to include or exclude the ideas and theories in the final literature review will be made. These decisions will primarily take account of the relevance of the data to the review questions but will consider certain quality criteria. Quality assessment will, however, be combined with the analysis and synthesis process that will augment the preliminary literature review.

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The phenomenon under review, institutional logics, has not previously been considered in the airport context and so excluding papers from diverse and dissimilar fields would not be appropriate. The intention of the comprehensive review is to construct a framework that can be tested empirically. It is therefore necessary to explore the phenomena of institutional logics and managers' reactions to them to assess the validity of the proposition. The headings established during the preliminary review will be used to provide an initial structure for the synthesis of new information. However, this structure will not be allowed to dictate the 'flow' of the final review and new categories may be included or the order of existing groupings altered.

Summary

This appendix details the method used to undertake the literature review. The process of identifying relevant journal articles, books, and other material, was undertaken in two stages. The first stage, the preliminary review, centred on seminal texts and sought answers to three key questions. The resultant findings identified four possible strategies managers might take when tasked with incorporating stakeholder opinion into their draft master plans. The second stage took these three pathways as a starting point for a comprehensive literature review and sought to include relevant academic texts up until 2009. This stage culminated with the production of the review of the literature shown in Chapters 2, 3 and 4.

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
1920s to 1930s			Conservative	Aerodromes owned privately or by local authorities/municipal	Dramatic technological advances. Aviation the preserve of the wealthy	Planners peripheral to airport development but view airports as part of urban rather than national transport infrastructure	Airports seen as part of urban decentralisation
1940s to 1950s			Conservative	First commercial flights (BOAC). Airports controlled by the Ministry of Defence	Aviation seen as good for UK industry and competitiveness and therefore should be state controlled	Nationalised industries run in the public interest. Government knows best.	Bureaucratic with managers as trustees of the public interest
1960s	1966	BAA created and incorporates LHR, LGW, STN, Prestwick	Labour	Traffic distribution rules, price controls	BAA created as a public cooperation to free government and civil servants from pressure of state control of airports	Dissatisfaction with the performance of nationalised industries. Move towards commercial rather	Bureaucratic with moves towards commercialisation with the rise of the professional manager and

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
						than public interest considerations. Tighter financial controls	introduction of targets and objectives
1970s	1971		Conservative	BAA incorporates Edinburgh, Glasgow, Aberdeen	Conservative Government do not privatise airports but continue with Labour's BAA plan	Procrastination about airport development	Uncomfortable bureaucratic with desire to distance government from decision-making
	1971	Roskill Report	Conservative	Report into the third London airport. Roskill recommends Cublington (east of Luton)			

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
	1975	Strategy for Great Britain	Labour	Strategy to accommodate air traffic demand in the London area for the 1980s	Options to handle long-term growth in traffic included a 5 th terminal at Heathrow, a 2 nd at Gatwick, expansion of Stansted to 16 million passengers per annum and further development at Luton	Labour government keen to meet rather than manage traffic forecasts to ensure London's place in the world's economy	Bureaucratic with desire to meet rather than manage demand for economic reasons

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
	1978	White Paper: Airport	Labour	No decision on London's third airport. Central government to "include" local authorities - decision potentially too political damaging ¹⁵	Tide turns and political issues arise about where development should take place	As Labour loses favour with voters they dilute strength of support for airport capacity expansion	Political manoeuvring
1980s	1979 and 1980	BAA puts up charges quite substantially	Conservative	Government need to raise funds - raised targets for BAA	American legal challenge ended 1983 but disrupted privatisation plans	Focus on liberalisation	Capitalist with a move from liberalisation to privatisation with airport professionals in key positions

¹⁵ <http://hansard.millbanksystems.com/commons/1985/jan/30/airports-inquiries-1981-1983-inspectors>

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Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
	1984	Graham Eyre Report	Conservative	Enquiry recommended the development of Stansted and a fifth terminal at Heathrow	Continued vacillation on the part of government to make a decision about the future of air transport in the UK		
	1985	White Paper on Airports Policy: command 9542	Conservative	Focus on setting the agenda for privatisation and capacity building. Little mention of social and environmental impacts	The package holiday was seen as necessary/desirable for most people therefore there was a will to build capacity	Move from focus on liberalisation to transfer of ownership even where a monopoly situation exists and competition " <i>does not make business or economic sense</i> " (speech by John Moore MP - Kay and Thompson, 1986, p29)	De-nationalisation

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
	1986	Airports Act	Conservative	Privatisation of BAA	Thatcher Government sells BAA	Privatisation and commercialisation	Capitalist
1990s	1987 to 1993	Airline deregulation	Conservative	First Package of Council of Europe Regulations 1987, 2 nd package 1990, 3 rd package 1993	Reduction of emphasis on national carriers. Irish airline Ryanair set up the first “low cost” airline in 1991	Continued privatisation	Capitalist
	1998	Integrated transport White Paper	Labour	30 year forecast for sustainable development, integration with surface access, and regional development	Political tide starts to turn with more debate about environmental issues, largely ignored	Airport managers keen to deliver government objectives as doing so is seen as in the interests of their shareholders	Attempts to regain bureaucratic control with focus on sustainability but with strategy to meet rather than manage demand

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
	1999	Oxford Economic Forecasting report "The contribution of the aviation industry to the UK economy"	Labour	Aviation is a substantial industry, contributing to economic growth, competitiveness, and employment	Support for airport development sought	Meet rather than manage demand	
2000s	2003	The Future of Air Transport White Paper	Labour	Proposed building of at least three new runways and expansion of many other airports to accommodate a massive increase in air traffic by 2030.	Aviation seen as crucial to the UK economy. Government advises airport master plans to be produced and maintained	"Predict and provide" ¹⁶	Bureaucratic pressure on privatised airports to increase capacity

¹⁶ Critique by the House of Commons, see <http://www.publications.parliament.uk/pa/cm200304/cmselect/cmenvaud/233/23303.htm>

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
	2006	The Eddington Transport Study	Labour	Recommends reform for transport planning	Government try to regain planning control for privatised airport sector		
	2006	Barker Review of Land Use Planning		Focus on relationship between economic growth and planning	Laying the ground for the 2008 Planning Act		
	2008	The Planning Act 2008	Labour	Government can overrule stakeholder opposition to large scale development such as airports			Attempt to fortify the power of the bureaucratic logic
2010s	2011	Sustainable Framework for UK Aviation: Scoping Document	Coalition government Conservative and Lib Dem	From sterile debate to consensus - balance between economic, social, and environmental costs. All new London runways	New Government recognise public concern with airport development and distance themselves. Buck passed to the private sector?	Breakup of BAA changes airport managers focus to returning profit to shareholders despite government wishes	Return to Conservative party approach to capitalism and competition

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
				cancelled			
	Summer 2012		Conservative Lib Dem coalition	Draft proposals for the future of air transport in the UK delayed.	Further procrastination with coalition government split in their views on airport capacity and the aviation sector in general	The need to win elections trumps economic (bureaucratic) and capitalism demands	No progress in the deadlock between capitalism, democracy, and bureaucracy
	Autumn 2012		Conservative Lib Dem coalition	Prime Minister announced setting up of an independent Airports Commission chaired by Sir Howard Davies.	To receive submissions from interested parties about the long-term future of aviation in the UK.	Defers decision-making until after the next election in 2015 and puts the problem of airport capacity in the hands of an independent commission.	Further procrastination. No attempts to gather cross party support for the future of aviation in the UK.
	Autumn 2013		Conservative Lib Dem coalition	Sir Howard Davies announces that more airport capacity will	Airports Commission says, " <i>it was difficult to see how the free</i>	As above	As above

Appendix 3: A History of the UK Airport Sector

Era	Date	White Papers etc	Government	Key events	Approach	Institutional context	Logic
				be required in the Southeast of England	<i>market alone could resolve the capacity-demand imbalance</i> ¹⁷		

¹⁷ <http://www.bbc.co.uk/news/business-24429443> (accessed 7th October 2013)

Appendix 4: Background and Context of Case Airports

Case study: Manchester Airport

The City of Manchester has been at the forefront of airport development from the earliest days of civil air transport in the UK. Manchester Airport's present site was chosen as an airfield in mid 1934 and Ringway Airport as it was then called, was completed for civil aviation use in summer 1938. Only a year later, at the outbreak of WW2, the airport became a hub of wartime activity including aircraft manufacturing for Fairey Aviation and Avro, a training centre for parachutists, and a base for the RAF. Quite uniquely, the local authority retained control and ownership of Manchester Airport throughout the wartime and the post-war period of nationalisation, and remained independent of the British Airports Authority (Caruana and Simmons, 2001). This independence allowed airport managers to influence where infrastructure on the airfield was developed, ensuring they met the needs of post-war civilian operations. As a publicly owned airport, Manchester differs from the other case study airports and this forms the rationale for its inclusion in this study.

Manchester Airport is located at Ringway in the City of Manchester within Greater Manchester and is billed as the 'global gateway to Northern England'. It is the largest airport outside the South East and 3rd busiest in the UK, handling around 19 million passengers per annum. The airport has two parallel runways and three terminal buildings and a World Freight Terminal. A mix of scheduled, charter, and low cost airlines serve the airport, providing flights to over 200 destinations. MAG (Manchester Airports Group) was formed in 2001, taking over from Manchester Airports Board, which was formed in 1986 following the Airports Act. MAG owns and operates Manchester Airport on behalf of the 10 local authorities in Greater Manchester. Manchester City Council owns 55% of the shares, with 5% held by the other nine stakeholders.

History since 1986

Manchester Airport was owned and operated by the Greater Manchester County Council until it was disbanded in 1986. Ownership then passed to the Manchester Airport Board until 2001 when Manchester Airports Group (MAG)

Appendix 4: Background and Context of Case Airports

was formed. Since then, the Group acquired Bournemouth and East Midlands Airports, and, since January 2013, London Stansted Airport. It also bought and subsequently sold a majority holding in Humberside Airport. MAG runs airport-related businesses including baggage handling and ground services, car parking, fire-fighting, airport security, engineering, motor transport services, and advertising. MAG also has a property and development arm, MAG Developments.

The Manchester Airport Second Runway project was one of the most controversial large infrastructure developments of the 1990s. Manchester Airport Board first discussed plans for a second runway in 1991. Three options for the location of the new runway were proposed, all of which involved blight to settlements in North Cheshire. The plans provoked a public outcry and a high level of anti-expansion campaigns. In March 1993, a decision was made to build a new runway parallel to the existing runway. In July 1996, a public inquiry was set up that lasted for 101 days and concluded by approving the new runway. Construction commenced in 1997 but was delayed by environmental activists occupying the construction site. In June 1999, the Appeal Court allowed the eviction of the activists and in February 2001 the new runway was officially opened. The 2003 White Paper, 'The Future of Air Transport', stated that additional terminal capacity should be provided at Manchester Airport to ensure full use of the two runways operating in segregated mode. The White Paper estimated that Manchester Airport could handle around 50 million passengers per annum (from 19 million at present).

Managing Directors at Manchester Airport include:

2010 Andrew Harrison

Has an Honours degree in Japanese from the University of Sheffield and spent his early career with Marks and Spencer. Andrew joined the airport in 2005 as Commercial Director focusing on the retail portfolio,

Appendix 4: Background and Context of Case Airports

specifically the redevelopment of the airport's three terminals before being appointed MD in 2010.

2006 Andrew Cornish

Has a degree in Economics from the University of Essex. His early career was in marketing with Kodak. He joined Manchester Airport in 2005 as managing director of aviation services, including areas such as security and engineering.

2001 John Spooner

A qualified pilot, John had 25 years experience in the aviation industry having joined East Midlands Airport as an Information Assistant in 1981. In 1983, John was one of the first students to be awarded a Master's Degree in Airport Planning and Management from Loughborough University.

A MAG Shareholder Committee sets the strategic direction for the Group. The Shareholder Committee empowers the Board to deliver the wishes of the shareholders. The Board is comprised of non-executives drawn from local authority shareholders, with Manchester City Council having a majority shareholding of 55% and therefore majority representation. Management teams at each MAG airport report to the Board.

Manchester has a rich history of sometimes radical left wing politics. The Labour Party controls the current Manchester City Council, the local authority for the metropolitan borough of Manchester, with 75 of its 95 seats. Four of the five Manchester MPs are also Labour, the other being a Liberal Democrat.

Consultation arrangements and changes to master plan

The draft master plan to 2030 was published in July 2006 and public consultation ran until October 2006. Manchester took a portfolio approach to master planning, producing five separate documents. Previous consultations on additional infrastructure had provided stakeholders with options to choose between. The 2006 master plan presented the management's preferred option

Appendix 4: Background and Context of Case Airports

rather than asking stakeholders to choose between a number of options. Airport managers felt the low response rate related to this non-selective approach. The airport circulated several thousand copies of the draft master plan, sent out 4,000 summary brochures, and 400 full sets of all documents (information gained through interview with Jon Bottomley at Manchester Airport). 83 written responses were received.

Appendix 4: Background and Context of Case Airports

Case study: Birmingham Airport

Elmdon Airport (now Birmingham Airport) opened in 1939 and was owned and operated by Birmingham City Council. During WW2, the RAF and the Royal Navy used the airport as an Elementary Flying School and as a base for the Fleet Air Arm. The City of Birmingham took back responsibility for the airport in 1960 and ownership passed to the newly formed West Midlands County Council in 1974. The Council now own 49% of the airport with the remainder held by private investors (48.25%) and the Employee Share Trust (2.75%). This public/private partnership arrangement differs from the ownership patterns of the other case study airports and forms the rationale for the choice of Birmingham Airport in this research.

Birmingham Airport is located six miles to the south east of the city centre in the Metropolitan Borough of Solihull, West Midlands. The airport has one runway and a new (2011) one-terminal facility. The airport is a base for Flybe, Monarch, Ryanair, Thomas Cook Airlines, and Thomson Airways and is the seventh busiest UK airport. The airport currently handles around nine million passengers per year. At the time of the publication of the master plan in 2007, air traffic was dominated by low cost carriers (36%) with short haul scheduled and charter flights both contributing 28% and long haul 8%. The airport is located within the Borough of Solihull and therefore Solihull Metropolitan Borough Council reviews all planning applications. As such, Birmingham City Council has only limited control over planning permission for the airport's development.

History since 1986

In 1986, ownership of the airport transferred to the newly formed West Midlands Joint Airport Committee comprising the seven West Midlands District Councils. When the 1986 Airports Act was introduced, which required municipal airports with turnover of more than £1m to become Public Airport Companies, shareholding transferred to Birmingham International Airport plc, although remained in the ownership of the seven West Midlands District Councils. In 1993, public sector borrowing restrictions prompted discussions on the

Appendix 4: Background and Context of Case Airports

restructuring of the airport's ownership. This completed in March 1997, when Aer Rianta in partnership with Nat West Equity Partners took a shareholding of 40%.

In 2000, Aer Rianta and Bridgepoint Capital (formerly Nat West Equity Partners) increased their investments in the Airport. John Lang Investments Limited and National Car Parks Limited acquired additional shares of 4% and 4.25% respectively. In 2001, Macquarie Airports Group Limited acquired Bridgepoint Capital's shares. By 2007, following Macquarie Airports Group's acquisition of Bridgepoint Capital's shares, the proportion of shareholding was: the Seven West Midlands' District Councils 49%; Aer Rianta 24.125%; Macquarie Airports Group 24.125%; and an Employee Share Trust 2.75%. However, in September 2007, Macquarie Airports Group and Aer Rianta sold their 48.25% in the airport to Airport Group Investments Ltd (AGIL). AGIL is owned by Ontario Teachers' Pension Plan and Victorian Funds Management Corporation. The current shareholding arrangement is therefore: Seven West Midlands district councils 49%, Ontario Teachers' Pension Plan and Australia's Victorian Funds Management Corporation 48.25% and the Employee Share Trust 2.75%.

The 2003 White Paper, 'The Future of Air Transport', identified Birmingham as the preferred location for growth in the Midlands. That same year, Birmingham Airport opened an £11 million Air-Rail Link people mover system and a £7 million public transport Interchange. Whilst Birmingham had consulted on a second runway in line with the 2003 White Paper, the 2007 Birmingham Airport Master Plan, 'Towards 2030: Planning a Sustainable Future for Air Transport in the Midlands', proposed only an extension to the existing runway. After extensive consultation, a planning application was submitted to Solihull Metropolitan Council in January 2007 and passed at the end of 2008, to extend the runway by 400 metres, allowing aircraft to reach the west coast of America, South America, South Africa, and the Far East. In 2011, Birmingham's two old terminals were joined to become a new £13 million one-terminal facility.

Appendix 4: Background and Context of Case Airports

Managing directors at Birmingham Airport include:

2007 Joe Kelly

Joe Kelly was promoted from Finance Director to Acting Managing Director.

2003 Richard Heard

Joined Birmingham Airport Company in 1998 as Development Projects Manager. Promoted to Operations Director in 2000 before becoming MD in 2003. A chartered engineer, Richard had worked with companies including British Rail before becoming involved in airport projects worldwide, including with consultancy Scott Wilson Kirkpatrick, from where he joined Birmingham Airport.

1994 Brian Summers IPFA

Brian Summers joined Birmingham Airport in 1984 following a career in local government finance, firstly at West Bromwich Borough Council and then West Midlands County Council from 1974.

Birmingham Airport sits in the Meriden (Solihull) constituency, which has been served by a Conservative MP, Caroline Spelman, since 1997. It is Solihull who has responsibility for granting planning applications. In 2009, when the Conservatives held control of the Council, they granted planning permission for an extension to the existing runway. However, as key public sector shareholders in the airport, Birmingham City Council was for two decades between 1984 and 2004, run by a Labour administration. In June 2004, Labour failed to achieve a majority and the Conservative and Liberal Democrat groups formed a governing coalition. No party had overall control of the Council between 2008 and 2012, when Labour regained power. The airport, in which the Cities of Birmingham, Coventry, and Wolverhampton, together with Dudley, Sandwell, Solihull, and Walsall have a 49% stake, experienced some competition from Coventry Airport. Coventry Airport, now owned by Sir Peter Rigby's Patriot Aviation group, had planning permission for a passenger terminal turned down in 2007. Due to the 2003 White Paper's preference for

Appendix 4: Background and Context of Case Airports

Birmingham Airport and insufficient demand to fill both airports, Birmingham Airport successfully lodged their objections to expansion at Coventry at the public enquiry.

Consultation arrangements and changes to master plan

The draft master plan was published on the 31st October 2005 and the consultation period ran until the 31st March 2006. The draft plan included management's preferred location of the second runway, although in fact management did not want the second runway at the time and were merely responding to its occurrence in the 2003 White Paper. During the process of finalising the master plan, management revised air traffic forecasts and dropped the second runway. The final master plan was published on the 29th November 2007 and covers the period until 2030. Birmingham Airport engaged with many stakeholders and interested parties, including local communities, national and local government, the business community, local interest groups, and "*the wider public*" (Birmingham Master Plan to 2030, 2007, p. 8). The airport held two public meetings in November 2005 and used a mobile exhibition bus during the consultation. The draft master plan was also available on the airport's website and was circulated to Members of Solihull Local Authority.

Appendix 4: Background and Context of Case Airports

Case study: Stansted Airport

Stansted opened as an airfield in 1943 and was used by the RAF and the US Army Air Force during the Second World War. In 1966, the British Airports Authority took control of the airport, which was subsequently de-nationalised following the 1986 Airports Act. In 2006, Ferrovial, a Spanish company, acquired a majority share of Stansted and all BAA (now rebranded as Heathrow Airport Holdings) airports. In 2013, the airport was sold to the Manchester Airports Group (MAG). The airport's ownership change from nationalised to de-nationalised and to full private ownership forms the rationale for its selection in this case study research and contrasts with the way in which the other airports included are owned. The sale to MAG fell outside the period of master planning and data collection and therefore forms no part of this study.

Stansted Airport is located off the M11, 30 miles north east of London and 40 miles to the east of Luton. The airport currently has one runway (a second runway was originally proposed in 2008) and one terminal building and covers a surface area of 957 ha with 10,000 m² of retail space. Stansted is the 4th busiest airport in the UK, handling approximately 17 million passengers per year in 2012. The airport mainly serves the short haul market with RyanAir its dominant carrier. The airport employs approximately 10,000 staff.

In 1978, the Government White Paper 'Airport Policy' proposed the expansion of Stansted Airport. In line with this proposal, BAA submitted a planning application to Uttlesford District Council in 1980. Following a lengthy public enquiry, the government gave permission for development to around 15 million passengers per annum. However, given the strength of opposition to the planned development, a compromise, where the airport would first grow to eight million before extending to handle 15 million passengers, was imposed.

History since 1986

Airport development to eight million passengers was completed in 1991 and in 1999 government permission for the next stage of development was given.

Appendix 4: Background and Context of Case Airports

With this work underway, the airport began a public consultation to increase capacity at Stansted to 25 million passengers, in line with the government's forecast for the future of aviation. Uttlesford District Council granted planning permission for this development in 2002. In 2005, to meet the government requirement for a master plan, BAA Stansted prepared a draft interim master plan, which focused on development of the airport using only the existing runway. The following year, Spanish company Ferrovial purchased a majority share holding in BAA and took control of all its airports. Later that year, in November 2006, planning permission for 'Generation One' or G1 (development around the single runway) was rejected. However, after an appeal and a challenge to the appeal, BAA was granted planning permission by the Secretary of State in October 2008. Between May and October 2007, a public inquiry was held on raising capacity at the airport. On 11 March 2008, BAA submitted a planning application to expand the airport by 8 km² and for the construction of a second runway and terminal building. This proposed development was in line with the recommendations of the 2003 Air Transport White Paper. However, in May 2010, the planning application was withdrawn following the Competition Commission's ruling on the sale of the airport.

In March 2009, the Competition Commission ruled that BAA (privatised as part of the Airports Act 1986 and taken over by Ferrovial in 2006) should sell Stansted Airport and one of either Glasgow or Edinburgh Airports. Ferrovial S.A. is a publicly traded Spanish multinational company headquartered in Madrid. Originally a railway construction company, the organisation is now involved in the design, construction, financing, and operation of a range of transport, urban, and services infrastructure. The company had already been ordered to sell London Gatwick Airport in 2009 after an inquiry into BAA's dominance in London and Scotland. The Competition Commission found that the monopoly position was adversely affecting passengers and airlines, and that the breakup of the company would generate greater competition between airports.

Appendix 4: Background and Context of Case Airports

BAA strenuously resisted the sale of Stansted and contested that there had been a material change in circumstances since the Competition Commission prepared its report on Stansted in 2009. Nonetheless, in July 2011, the Competition Commission confirmed its original decision to force the sale of Stansted before the sale of the Scottish airport. However, BAA appealed that decision to the Competition Appeal Tribunal and, to avoid delay, the Competition Commission, “*decided that it would be in the interests of affected passengers and airlines to proceed with the sale of either Glasgow or Edinburgh Airport first*” (Competition Commission, 2011, p.1). On 1st February 2012, BAA lost its appeal against the Competition Commission ruling and in January 2013 sold Stansted to the MAG.

Managing Directors of Stansted Airport include:

2010 Nick Barton BSc (Hons) Estate Management Chartered Surveyor (Planning & Development)

Promoted from within BAA Stansted Airport, Nick Barton was previously Commercial and Development Director, Strategy and Solutions Director, and Business Development and Planning Director. Prior to joining BAA, Nick had a career with Tops Estates plc, a property development company specialising in town centre shopping and leisure centres.

2009 David Johnston MBA

Promoted within BAA from Procurement Director and MD at Edinburgh Airport, David Johnston had a background in manufacturing operations.

2007 Stewart Wingate MBA, Chartered Engineer and a Fellow of the Institute of Engineering and Technology

Promoted to CEO at Gatwick Airport, he previously held a number of positions within BAA, first as Customer Services Director of Glasgow Airport then as CEO of Budapest Airport, before becoming Managing Director of Stansted Airport. Stewart’s early career was with Black and Decker.

2006 Ferrovial takes over BAA

Appendix 4: Background and Context of Case Airports

1997 John Stent

Promoted from within BAA, prior to becoming MD at Stansted, John Stent had been Managing Director of Heathrow's Terminal 5 project and Finance Director at Heathrow. He worked for BAA for 15 years before joining Macquarie Bank in 2003, where he held positions as Director of Brussels and Newcastle Airports as well as Macquarie Airports Copenhagen. He subsequently held the role of Acting CEO at Abu Dhabi Airports Company.

1994 Terry Morgan

Terry Morgan joined BAA in 1980 holding positions including Special Advisor to the Chairman and Chief Executive of BAA and Chief Executive Officer for Australian Pacific Airports Corporation at Melbourne Airport. He then became MD of BAA International before becoming MD at Stansted Airport. He was also Divisional Director for BAA's South East airports prior to taking up a position as Technical Standards and Assurance Director in 2007.

Stansted Airport sits in the local authority district of Uttlesford in Essex, where the airport is the largest employer. The Council is predominantly Conservative, having gained from the Liberal Democrats in 2008. Both respondents talked about the difficult relationships the airport had with local authorities. One said, *"None of our councils were supportive."* There was a strong feeling from the respondents at Stansted Airport that, whilst central government policy under a Labour Government, had been made very clear through the 2003 White Paper, the local Conservative authorities were not supportive of the policy. These political difficulties were exacerbated by BAA's issues with the Competition Commission over the sale of Stansted.

Consultation arrangements and changes to master plan

Given the complexity of future development at Stansted Airport, the Department of Transport approved the production of a master plan for Stansted in two stages. First, it was agreed that an interim master plan referred to as G1 that focused on making best use of the existing single runway, be produced to cover

Appendix 4: Background and Context of Case Airports

the period to 2015. The second phase, G2, the final master plan, which involved construction of a second runway, would cover the period from 2015 until 2030. As such, a draft interim master plan was published in July 2005. A combined consultation on the draft interim plan and on the G1 planning application ran from 27th July to 31st October 2005.

BAA produced the draft interim master plan in CD and hard copy format and circulated it to 228 organisations and individuals. The document was also uploaded to the Stansted airport website and provided a dedicated telephone number, email address, and freepost address to enable the public to request copies of the draft plan. In addition, a special edition of the airport's newsletter, "Plane Talk" was produced to highlight the consultation process and circulated to 170,000 households within a 15-mile radius of the airport. A series of exhibitions were held at 27 venues within the 15-mile radius over 34 days. In total, comments received from stakeholders, whom BAA refers to as 'the Public', came from 13 organisations and six individuals as a direct response to the draft interim master plan consultation. A further 46 respondents to the G1 Planning Application specifically referred to the draft interim master plan.

The political context surrounding airport development changed during Stansted's master planning process. Whilst the 2003 White Paper encouraged consultation, political opinion altered and this coupled with losing their battle with the Competition Commission over the forced sale of the airport, resulted in Stansted withdrawing their planning application. One of the Stansted Airport respondents said:

"our master plan experience was quite a torrid one because we had bigger issues to deal with that conflicted. It's not an easy option."

Appendix 4: Background and Context of Case Airports

Case study: London City Airport

Located in the heart of London's Docklands, the idea for London City Airport was first conceived in September 1981 between the CEO of the London Docklands Development Corporation (LDDC) and the Chairman of John Mowlem and Co plc. Mowlem is a large construction company with a long history in London and the dockland area. In November 1981, Mowlem in partnership with Brymon Airways submitted an outline proposal to the LDDC for a Docklands STOLport (Short Take Off and Landing) city centre gateway airport. In 1982, the LDDC published a feasibility study and engaged MORI to undertake an opinion poll amongst local residents, which showed a majority in favour of development of the airport.

Mowlem submitted a planning application for the airport and in June 1983 a 63-day planning inquiry commenced. Despite the Secretary of State for Transport's support, the Greater London Council launched a High Court challenge to re-open the inquiry. The challenge was unsuccessful and the Secretary of State granted outline planning permission in May 1985. Construction started in 1986 and the airport became operational the following year. London City Airport, which has a 1,508-metre runway, is constrained by the King George V dock to the south and the Royal Albert dock to the north. This constraint on size and layout has led to a lack of taxiways and a lengthy back track for aircraft, causing the airport to be extremely busy during peak hours. Due to noise issues, operations are restricted (with certain exceptions) to 06:30 to 22:00 Monday to Friday, 06:30 to 12:30 on Saturdays, and 12:30 to 22:00 on Sundays.

History since 1986

In 1995, Mowlem sold London City Airport to Irish businessman Dermot Desmond. In 2006, a consortium comprising AIG Financial Products Corporation and Global Infrastructure Partners (GIP), owners of London Gatwick Airport since 2009, purchased London City Airport from Dermot Desmond. In 2008, AIG sold its share of the airport so that ownership is now GIP (75%) and Highstar Capital (25%).

Appendix 4: Background and Context of Case Airports

In 1989, the airport submitted plans for a runway extension and the subsequent inquiry lasted from July 1990 to January 1991 before being approved. 1997 saw the redesign and refurbishment of the departure lounge and passenger numbers increased by 60% over the previous year to 1,165,318¹⁸. Other planning permissions were granted in 1998 (variation of conditions relating to air traffic movements), in 2003 (operational improvements), and in 2007 (further variation relating to air traffic movements). In 2005, the Docklands Light Railway was connected to London City Airport, providing rail access to the airport for the first time.

London City Airport has been presented with a number of challenges over the years including operating in congested airspace and a rapid growth in passenger numbers - from 133,000 in 1988 to just over 3 million in 2011. The airport has also seen expansion of the runway and car park area, and increased weekend and night flights, which have required public investment in improved road and rail connections. However, a study by York Aviation calculated the airport contributes £0.5 billion to local economy. The airport focuses on business and corporate travel.

Managing Directors/Chief Executive Officers of London City Airport include:

2012 Declan Collier BA Mod (Econ), MSc (Econ)

Chief Executive Officer of London City Airport Limited since April 2012. President of the Airports Council International (ACI) Europe since June 2011. Chief Executive of Dublin Airport Authority plc from April 2005 to April 2012. He joined Exxon's Irish subsidiary company, Esso Ireland Ltd., in 1978 and held various senior management positions. Chairman of Aer Rianta International and Esso Ireland Ltd from 2000 to 2002. He has been a Non-executive Director of Allied Irish Banks plc and a Director of AIB Group (UK) Plc since 2009. He also served as a Director

¹⁸ <http://www.lcacc.org/history/>

Appendix 4: Background and Context of Case Airports

of DAA Finance plc and a Director of The Governor and Company of The Bank of Ireland¹⁹.

1996 Richard Gooding OBE

Joined British European Airways as a General Apprentice in 1966 before joining Manchester Airport in 1981, where he became Operations Director. Appointed as MD at Ogden Allied Aviation Services in 1985 to develop a European ground handling business. In 1991, he was appointed Chief Executive of London Luton Airport before joining London City Airport in 1996 as MD before moving to the role of Chief Executive. He is past Chairman and current Council Member of the Airport Operators Association, President of the Newham Chamber of Commerce and is heavily involved in the voluntary sector.

1988 William Charnock FCILT

Bill was MD at London City Airport for nine years. Appointed from a position as a Main Board Director of Servisair before which he was Head of Marketing at Manchester International Airport from 1978 to 1986. He is a Fellow of the Chartered Institute of Logistics and Transport; a Fellow of the Royal Geographical Society; and a Liveryman of the Guild of Air Pilots and Air Navigators.

London City Airport has had a great deal of continuity with both political stability in the London Borough of Newham and only three CEOs in 25 years. Their approach has been a close focus on local issues and much less on the global airport sector situation. This seems to have been very successful with other airports believing they “*work magic*” having had none of their five planning applications rejected. One of London City’s respondents said:

“we are reacting to the circumstances in which we find ourselves and some of those circumstances are very good. We have less aggravation on this front than anybody”.

¹⁹ Bloomberg Businessweek <http://investing.businessweek.com/research/stocks/private/person.asp?personId=21919767&privcapId=8086856&previousCapId=324875&previousTitle=ALLIED%20IRISH%20BANKS%20PLC>

Appendix 4: Background and Context of Case Airports

Consultation arrangements and changes to master plan

In response to the government's request to produce outline master plan statements by the end of 2004, London City Airport submitted a Statement of Intent, which included the airport's case to increase its passenger forecast to 8mppa by 2030, greater than the figure of 5mppa shown in the 2003 White Paper. The airport stated that it would not require a second runway and would remain focused on business travel.

The draft airport master plan was put out to consultation from March 2006 for a period of two months. The plan was finalised in November 2006 and was followed by a planning application to the London Borough of Newham in August 2007. Despite a number of delays including a deferral for the findings from a National Air Traffic Services study and a legal challenge from Fight the Flights, final planning permission was granted in 2010. In terms of the process used to consult stakeholders, around 1,000 hard copies of the draft master plan were distributed, 200 e-mails were sent, and the draft plan was posted on the airport's website. Unusually, the final master plan highlighted where points made by respondents had been incorporated into the text and detailed other comments and questions alongside the airport's reaction to them.

The airport reported there had been,

“23 responses from a wide variety of sources including the Greater London Assembly, the local boroughs, the local resident and business communities and environmental groups. Thirteen of the responses had fully supported the Plan and there was support but with caveats from a further three. Five of the respondents had expressed no opinion and 2 had opposed some elements of the proposals. Most of the comments concerned the environmental impacts of the proposals, surface access issues and car parking.

Appendix 4: Background and Context of Case Airports

*None of the respondents had expressed doubts about the Airport's passenger forecasts.*²⁰

However, this level of communication and the number of responses received contrasted the public consultation carried out by Newham Council. They sent over 10,000 letters to local residents including adjoining occupiers and those in neighbouring boroughs of Greenwich, Tower Hamlets, Bexley, Barking and Dagenham, and Havering. The application was advertised in the local press, 200 site notices were displayed, and details were posted on the Council's website. The Council received 1,109 replies, 801 with objections and 308 in support of the application²¹.

²⁰ <http://www.lcacc.org/future/index.htm#AMP> (accessed 7 June 2012)

²¹ <http://mgov.newham.gov.uk/mgConvert2PDF.aspx?ID=18021&J=1> (accessed 7 June 2012)

Appendix 5: Semi-Structured Interview Schedules

Airport manager interview schedule

- Q1: How would you describe the role of taking account of stakeholder opinion in the master planning exercise?
- Q2: How did you draw up your list of stakeholders to consult?
- Q3: Who are your dominant stakeholders?
- Q4: Did you involve the opinions of your shareholders and if so, how?
- Q5: How did you establish a process for the master plan consultation and the changes you made between draft and final plans?
- Q6: Is there a widely accepted or even taken-for-granted (amongst airport managers) way of handling stakeholder consultation in the master plan process?
- Q7: Did you do anything differently in your decision-making process from what you consider to be the norm in the airport sector?
- Q8: How do you think the way the airport is owned (privatised/public/etc) has affected the way decisions were made about how you changed your draft master plan?
- Q9: How radically did you change your draft master plan after consultation?
- Q10: Which of your stakeholders caused this/these changes?
- Q11: Given that your stakeholders had quite different points-of-view, how did you decide how to juggle these opinions?
- Q12a: Do you think the final master plan reflects the airport's desire to find a balance/equilibrium between the views of stakeholders?
- Q12b: Or do you perhaps attempt to create innovating solutions to the problems raised by stakeholders?
- Q12c: Or do you think the most dominant stakeholders tend to get their opinions incorporated into the master plan?
- Q13: Can you describe your main issues with the master plan process?

Appendix 5: Semi-Structured Interview Schedules

Q14: Do you think these issues are the same for all airports? If so, why/if not why?

Q15: What is your view of the government's guidelines on running the consultation process?

Q16: If you previously ran a consultation at an airport that had a different type of ownership, how does the consultation process differ? Or how closely does it mirror the public process? What has changed?

Is there anything else you would like to add?

Is there anything you have said that you would like to be kept confidential?

Appendix 5: Semi-Structured Interview Schedules

Stakeholder interview schedules

Background of interviewee

- What is your role within your organisation?
- How would you describe your role in the x airport master plan consultation process?
- What was your position on the draft master plan?
- Can you tell me why you/your organisation adopted this position?

By stakeholder, I mean all those parties that were involved or could have been involved in the consultation. This includes shareholders, the airport managers, airline representatives, local people, national, regional, and local government, environmental and other NGOs.

Context

- Do you think the airport listens to one particular stakeholder more than others?
- During the consultation process and in view of the subsequent changes that were made to the draft master plan, did you think the airport decision-maker was under pressure from any particular stakeholder/s?
- Have you been involved in consultation at any other airports – if so, how do you think these pressures vary?

Expected results: These questions should provide the opportunity for the interviewee to express their views on the motivations, interests and power at play at the case study airport.

Outcomes

- What did you think of the finalised master plan?
- In your opinion, how do you think the decisions about changes to the draft master plan were made?

Appendix 5: Semi-Structured Interview Schedules

Expected results: These are intentionally broad questions designed to allow the interviewee to express their views without prompts from the interviewer. The questions centre on the outcome of the consultation and the changes that were made between draft and final master plans.

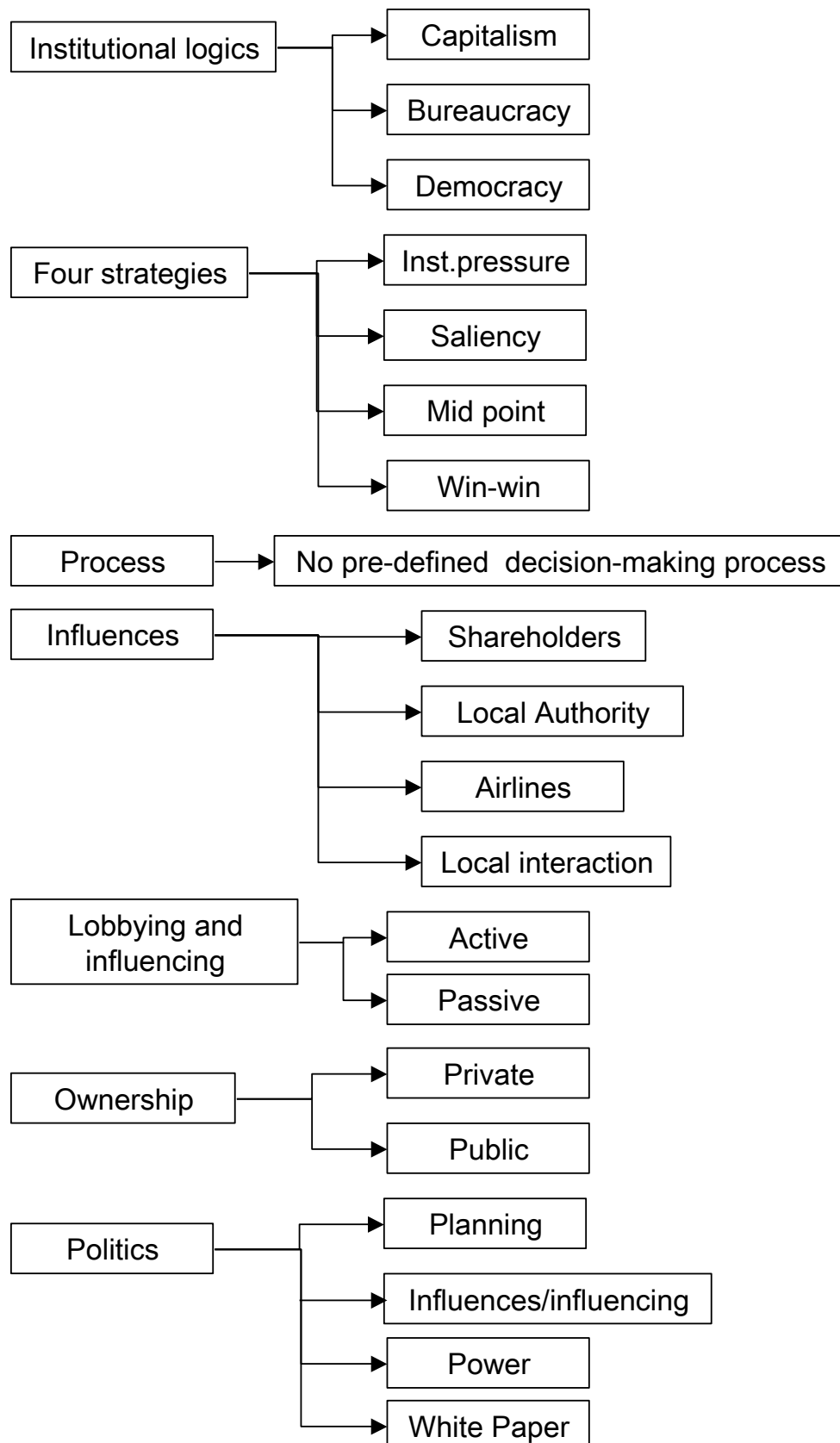
Linkages

- Do you think the way the airport is owned (i.e. has shareholders, is owned by the local council, etc) affected the outcome?
- Do you think there were any other issues arising from the context in which this airport operates that affected the outcome of the consultation process?

Expected results: These questions are posed to triangulate the findings from interviewing airport staff and intended to uncover the linkages between the institutional context in which an airport operates and the process/changes that occurred.

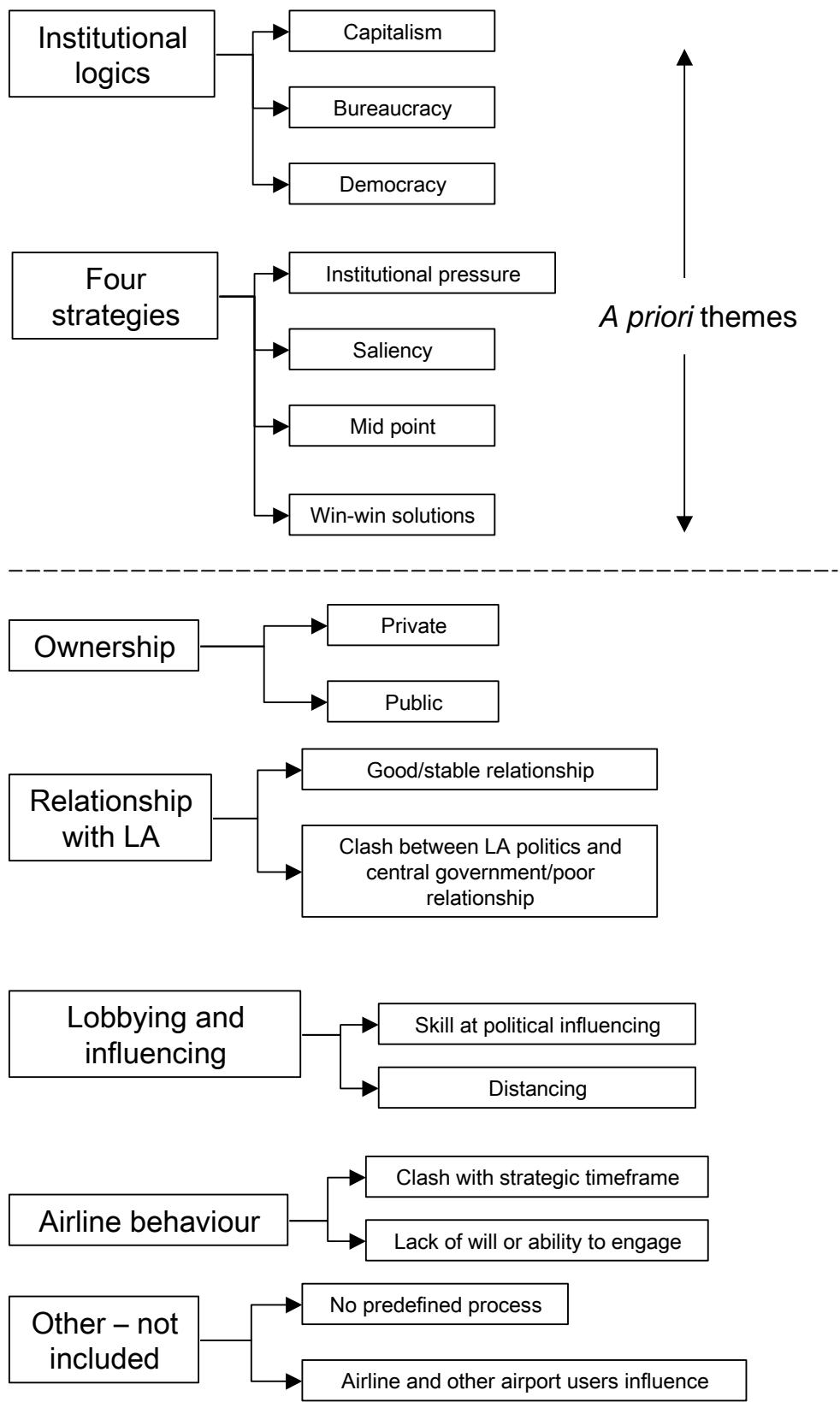
Appendix 6: Coding Templates

Initial coding template



Appendix 6: Coding Templates

Final coding template



Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

This appendix reviews responses to each question posed during the face-to-face interviews. Data for all except the first question were analysed using open coding. A summary of responses is provided at the start of this appendix and is followed by full details of the analysis.

Summary

Q1: How would you describe the role of taking account of stakeholder opinion in the master planning exercise?

All respondents mentioned how varied this role is, containing many contradictory elements for managers. Versus Coding (Saldaña, 2009, p. 93) was used to show the extent of this diversity.

Q2: How did you draw up your list of stakeholders to consult?

Respondents were consistent in their answers, generally casting their net widely to ensure no stakeholder was left out of the consultation process. All respondents felt their list of whom to consult had been drawn up in-house, with Stansted and Manchester respondents mentioning using a planning model as a basis. Only Birmingham respondents spoke unprompted of involving shareholders. London City talked about lobbying their "*friends*" for support.

Q3: Who are your dominant stakeholders?

For Manchester respondents it was the Local Authority and for Birmingham the shareholders and the Local Authority planning department. London City also said the planning authority and Stansted spoke of the airlines and the planning authority.

Q4: Did you involve the opinions of your shareholders?

All respondents except one from Manchester answered in the affirmative. All managers noted the distance shareholder keep from managerial processes including master planning. One respondent from Stansted Airport said shareholders "*don't really have any interest in where that runway is because the obligation on you is to deliver the most optimal solution. So they are paying you to do that job implicitly and explicitly to achieve that. If they had a personal view on it, it wouldn't – it sounds awful - but it wouldn't be that important*".

Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

Q5: How did you establish a process for the master plan consultation and the changes you made between draft and final plans?

None of the respondents had established a formal process for making changes to their draft master plans. Decisions were consistently seen as the prerogative of managers who had decided "*amongst themselves*" in a process that was "*intuitive not formulaic*". A respondent from Stansted pointed to the advice they had been given by a Planning QC to "*keep our value judgements in a little bit of a black box*" to prevent comeback from stakeholders. Indeed, the most common category arising from open coding was that of the managerial power in this process.

Q6: Is there a widely accepted or even taken-for-granted (amongst airport managers) way of handling stakeholder consultation in the master plan process?

Responses to this question varied within and between cases. Three respondents thought there was a common way of handling stakeholder consultation and five did not. Interestingly, one respondent from Stansted said he was too wary of being accused of price fixing to speak to other airport managers whilst a respondent from Manchester talked about the regular meetings he has with planners from the Airport Operators Association. Respondents from both privately owned airports, Stansted and London City, mentioned the use of consultants, and Birmingham (now part privately owned) declared their intention to use consultants in the future. Most respondents talked about learning from other consultation processes like HS2 and of the growing focus on process and the need to "*be absolutely spot on with procedure because we don't want to end up at the end of this and find someone tries to trigger a judicial review*".

Q7: Did you do anything differently in your decision-making process from what you consider to be the norm in the airport sector?

Both Manchester respondents said they had done things differently, as was "*the Manchester Way*". At Birmingham, one respondent said there was no norm and the other said they had been different. At Stansted, respondents differed with

Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

one saying yes and the other no. For London City respondents, one felt there were no norms in the sector and the other that they had not differed in their process.

Q8: How do you think the way the airport is owned has affected the way decisions were made about how you changed your draft master plan?

Respondents from Manchester Airport talked about Party Politics affecting the way decisions are made. Respondents from Birmingham Airport, with experience of several types of ownership patterns, both thought there was a clear difference between public and private sector objectives. Stansted respondents had different opinions: One felt there was no difference since privatisation and the other believed there was a difference from when the airport had been nationalised, a public limited company with many shareholders, and an airport under independent private ownership. There was a similar difference of opinion between the respondents at London City Airport.

Q9: How radically did you change your draft master plan after consultation?

All respondents from Manchester, Birmingham, and London City airports said the changes to their draft master plans had been minor although Birmingham had, in effect, dropped plans for their second runway between draft and final master plans. Respondents from Birmingham and London City both felt the lack of change was due to the amount of preparation they had done with local people before the consultation. At Stansted, one respondent pointed out that they had consulted on a series of options, which therefore did not constitute a change after the draft master plan but a selection. The other Stansted respondent discussed changes in relation to their preferred option, which was the one finally selected, and mentioned squeezing in the runway, a significant mitigation and offsetting strategy, and changing from mixed to segregated mode.

Q10: Which of your stakeholders caused this/these changes?

For Manchester Airport, it was the Local Authority who had caused changes. At Birmingham, dropping the second runway had been due to its expense and was facilitated by management revising traffic forecasts downwards to show no need

Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

for an additional runway. At Stansted Airport, local people had, “*made representations to us in a variety of different ways*”, whereas London City declared that no one had raised any fundamental issues requiring changes to be made.

Q11: Given that your stakeholders had quite different points-of-view, how did you decide how to juggle these opinions?

A key question in this research, it was evidently difficult for respondents to answer. The overwhelming impression was of the institutionalisation of the decision-making process, which rendered its workings almost invisible to those involved. Both respondents from Manchester discussed the irreconcilable nature of the process. For Birmingham, respondents felt it was frequently about giving priority to negative comments, particularly “*showstoppers*” as well as “*ticking the box*” by addressing easy-to-make changes. Whilst Stansted had taken an “*optioneering*” approach to the consultation, management retained the right to make final decisions and stuck with their preferred option. These respondents did, however, talk about how difficult the airlines had made the master planning process. For London City, it was about recognising that stakeholder input could be challenging.

Q12: Do you think the final master plan reflects the airport's desire to find a balance/equilibrium between the views of stakeholders? Or do you perhaps attempt to create innovating solutions to the problems raised by stakeholders? Or do you think the most dominant stakeholders tend to get their opinions incorporated into the master plan?

Responses to this question are covered in the main body of the thesis in section 6.6 commencing on page 199.

Q13: Can you describe your main issues with the master plan process?

The negative issues mentioned far outweighed the positive. Only Manchester and London City talked about positive issues, with both mentioning the opportunity to, “*set out our stall*”. The most frequently mentioned negative issue was the prescriptive nature of the 2003 White Paper (all except Stansted) and the unhelpful guidance provided (Manchester and London City). Manchester

Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

and Stansted also talked about the unofficial status of master plans and the changing national approach to aviation. Both Stansted and London City felt the value of a master plan was not in proportion to the effort required.

Q14: Do you think these issues are the same for all airports?

Respondents at Manchester felt that issues would be the same for all airports but that local conditions such as the relationship with the Local Authority or the power of a major airline might have an effect. At Birmingham, both respondents also felt issues should be similar. At Stansted, respondents disagreed. One felt that issues should be the same, although also mentioned the power of airlines and their potential to disrupt the process. The other Stansted respondent said issues for airports are different and dependent upon the relationship with the Local Authority and community. London City respondents both felt there would be differences in issues but that noise was common and required a national programme to address it. One London City respondent felt that, "*Everybody has to address every issue*" but at significantly different levels depending on the geography of the airport.

Q15: What is your view of the government's guidelines on running the consultation process?

Both Manchester and Stansted respondents felt the guidelines were, "*teaching grandmother to suck eggs*". One Stansted respondent also felt the master plan review was too frequent. At Birmingham, respondents felt the guidance was "*fine*" whereas London City respondents were quite disparaging about the Government guidelines.

Q16: If you previously ran a consultation at an airport that had a different type of ownership, how does the consultation process differ? Or how closely does it mirror the public process? What has changed?

MAG owns a number of different airports (currently Manchester, Bournemouth, East Midlands, and now Stansted) and managers had experience of these airports, noticing that their public sector ownership helped relationships with Local Authorities generally. One of the Stansted respondents had been with BAA through its three incarnations as nationalised, a public limited company

Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

with wide share ownership, and now an independent private company. He noted changes in consultation with airlines, which had increased, compared with disclosure of corporate information, which had decreased. A London City respondent had run consultations at Luton and Manchester and had used the same techniques, which emerged from Manchester Airport. He said, *"it's only about talking to people. Most people are frightened to do that."*

Appendix 7: Analysis of Airport Managers' Responses to Interview Questions

Q1: How would you describe the role of taking account of stakeholder opinion in the master planning exercise?

During the process of open coding this question, it became apparent that Versus Coding was an illuminating means of describing the role of taking account of stakeholder opinion. Versus Coding defines binary terms of direct conflict between people, organisations, concepts, and processes (Saldaña, 2009). The findings from this research produced a number of these moiety situations, where airport managers experience contradictory elements in dealing with a stakeholder consultation, as follows:

Table A7.1 Airport managers' responses: The role

Code	Illustrative quotes
Optioneering v Preferred choice An airport manager's job involves consulting stakeholders on a range of options or on the airport's preferred choice	<p>"But you had to satisfy the very detailed tests of a public inquiry. You had to make sure that your thinking in terms of choosing one option over several others was absolutely rock solid and was justifiable" (STN2)</p> <p>"If you give people their say they will mostly go with you if they think you are treating them in an adult way and tell them what you want and what it means and then stick to it." (LCY2)</p> <p>"I think that the attitude that I deployed when I came here was that I wasn't going to give people any flannel so we had a very full and frank discussion about what we wanted to do and why we wanted to do it and frankly who was going to be inconvenienced by it." (BHX1)</p>
Planning v PR The role of consulting with stakeholders, on the one hand involves the function of airport planning and development and	<p>"The role fell within the Planning and Environment Team and also linked into the External Relations Department. They get involved in a lot of planning of our events and relational type areas of work." (BHX2)</p> <p>"we were subjected to enormous pressure by civil servants and politicians to actually fall into line and have one [<i>a master plan</i>]. And that is now well past the time when it should have been reviewed and without the compulsion it's very difficult to achieve the planning status with the planning authority, which was what</p>

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on the other is about a Public Relations role with stakeholders.	<p>we thought was the most valuable things that came out of the process, which was that for the first time ever there was something in the local authorities' structure plans that acknowledged the ambitions and the intentions of the airport in their back yards." (LCY2)</p> <p>"But the point I'm coming to is that the people standing in front of those display boards were not PR people, were not community relations people but were either planners, environmental specialists or engineers. And we kept that very, very clear distance, that this is not a piece of public relations, this is getting people's views." (MAN1)</p>
<p>Communicating with local people v Lobbying the powerful</p> <p>Airport managers involved in consultation have to both engage with local people as well as actively lobby politicians and other decision-makers</p>	<p>"I think it's the reason why we didn't have a public inquiry or a judicial review. We made absolutely sure that we talked to councillors, parish councillors, local councillors, the MPs because we've got MPs of different colours around here." (BHX1)</p> <p>"So we made sure we engaged people informally – those that could make decisions – and we also engaged the wider business community, so the IOD, the CBI, Federation of Small Businesses – all the usual suspects." (BHX1)</p> <p>"I know you are talking about stakeholders but this is particularly about community, is that the impact of an airport is felt very, very locally but its benefits are very wide and the people who will shout at the airport are the very, very local and the very, very wide, don't. And it's how you then meet the needs of the people who are right next door to you but also making sure that you have that wider level of support across your catchment area." (MAN1)</p> <p>"The same issue would happen today at Heathrow if you said, well, go on Heathrow, do a master plan. They would say, on what basis? Because we don't really know where we are." (STN2)</p> <p>"But the master plan is the forward look. So you've got that problem of current policy being vague today, well it's very vague, versus the airport being asked to think about what it would look</p>

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	like in 20 or 30 years time. And therein lies your problem.” (STN2)
Active listening v Ticking the box	“You’d don’t put out a consultation document with a view to ignoring any consultation responses that come back. I think there is an element that is ticking the box that says we have to consult – yes, inevitably. But actually you need to not only take account but be seen to take account of the consultation responses that you get.” (LCY1)
Airport managers reported a distinction between going through the motions or ‘ticking the box’ of stakeholder consultation and actively listening to and acting on the views they received	<p>“If we had vast tracts which had to be re-written to take account of them [<i>stakeholder opinion</i>], that would be more difficult. But most of them were points of detail, points of expansion, points of explanation and so it’s useful and also, I think, as far as the box ticking exercise is concerned, it actually demonstrates this is what it was before this is what it is now.” (LCY1)</p> <p>“perhaps where we may differ because of that ownership, where we may differ is that on receiving those comments, we might analyse them harder than perhaps others would because there is almost a duty to be seen to have taken on board the responses that you receive.” (MAN2)</p> <p>“we had stated a certain number of options . . . going into the consultation because we didn’t think it would be credible and neither would it be honest for us to suggest that we didn’t have a preference going into the consultation. That doesn’t mean to say we weren’t willing to listen and it doesn’t mean to say we weren’t willing to change our mind if we had learned things that were fundamentally important to our choice. . . . but we didn’t find anything in the response that caused us to change our mind on what the final solution was.” (STN1)</p>
Consensus approach v Business approach	“it’s a long-standing Conservative constituency but we do have Labour and Lib-Dem constituencies around us so we don’t rely on just the one – we have to get consensus here.” (BHX1)
Airport managers experienced a difference	“It’s difficult to see in a country like ours, which is too much of a democracy as to how we will ever square that circle. The French can do these things. When they built Charles de Gaulle 30 years ago, there were 10 farmers whose land was needed.

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between attempting to achieve consensus through a democratic process and needing to accomplish the development of their airport	They hosed them down with around a million quid each and told them to clear off. End of planning process! But our democracy doesn't work like that. Our democracy, particularly in planning, is very democratic and at one level, one should praise that as a wonderful thing until it starts to affect the thing that you want to do." (LCY2)
Well thought out arguments v Emotional responses	"There is one point in all this that I need to make as well, because we knew we were going to have a public inquiry on the process, we were also advised by a leading QC that there was a necessary extent to which we needed to keep our value judgements in a little bit of a black box." (STN1)
Airport managers reported a difference in dealing with detailed responses to consultation compared with what were seen as purely emotional reactions	"The ones that you take most notice of are those that are thoughtful, those which are well argued or well based and those which are not just saying I wish you would turn round and drop down dead. Those people are not going to be convinced of anything you do anyway and there is a danger, and it's a very human danger, that actually there may be some interesting points that they have to make but you have said, well go away – I'm not interested in that if it's your opening stance."(LCY1) <i>"they need to be more specific, I think it's fair to say, the business community in their communications" (LCY2)</i>
One-off discussions v Ongoing communication	"Of those people who did respond with points that were relevant, to some extent, people who were affected one way were saying we shouldn't be affected, you should put the runway on this side of the existing runway, you should put it to the other side. And other people vice versa so there's an element of NIMBY – please don't affect me, affect someone else, which is not irrelevant to the process because it causes you to think again." (STN1) "we do consultation all the time. Quite a lot of airports and indeed other businesses only do consultation when they want something and that so, pardon my French, pisses off the local people"(LCY2) "At one level it was because we had done such a good communication job beforehand that nobody got any surprises

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**Axes to grind v
Lack of interest**
Managers
reported having to
deal with strong
'axes to grind'
opinion versus
coping with a
dearth of interest
in the consultation
process

with what we put out . . . It got into the warp and weft of the way things were done." (LCY1)

"I think where our starting point would be is that consultation on things like master plans tend to be set piece events, whereas what we now have in place and have had here for many years is ongoing dialogue. So we don't have, we don't put as much play on set piece consultations because we're consulting and having a dialogue all the time." (MAN1)

"if it's the first master plan proposing a second runway – something quite massive which has a big impact on a lot of your people, then you're going to do much more consulting." (STN1)

"But actually you need to not only take account but be seen to take account of the consultation responses that you get. And that is sometimes challenging because those bodies that do respond, or individuals that respond, usually do so with an axe of one sort or another to grind. The vast majority of people are completely unmoved." (LCY1)

"What was really interesting is that around 99.6 something percent never responded. So nearly 97% didn't either think it was very important or didn't have a view. So it was a fascinating feedback that the return rate was tiny, which was disproportionate to the amount of . . . the level of veracity of the objections we actually did get, which were relatively small in number but were extremely heartfelt." (STN2)

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Q2: *How did you draw up your list of stakeholders to consult?*

Close analysis of the responses to this question, using open coding, revealed many similarities in how airport managers decided whom to consult. For example, all airports felt they had 'cast their net as widely as possible', even admitting to using a 'scatter gun effect'. As an illustrative quote, one respondent said, *"And what we did was very much cast our net as widely as we possibly could. Someone called that unfocused, untargeted, and a scattergun effect but frankly it's what's needed around here. We needed to get a groundswell that recognised what local people needed but also recognised the needs of business and [the city]."* (BHX1) A respondent from another airport said, *"Did we end up doing doctors' surgeries – I can't remember?"* (LCY1)

None of the airport managers interviewed admitted to using a list of stakeholders that had been taken from another airport or elsewhere. Indeed, there was a feeling that no useful advice could be provided by other organisations. One respondent said, *"There is a Civil Aviation publication, I can't remember what number but it's seven something, about consultation and how you should consult but frankly if we had applied that we wouldn't have got anywhere."* (LCY") The same respondent said, *"The state-owned organisations, the CAA, NATS, which was state-owned, are very, very poor at consultation."*

Both Birmingham and London City airports insisted their lists were 'home grown' whereas Manchester and Stansted felt they had used, in fairly large part, a planning model as a basis. Indeed, a respondent from Manchester Airport said, *"To a large degree because we come from a planning background, we kind of followed the planning model, if you like. So you have all sorts of statutory consultees throughout the statutory planning process. So, like I say, that's an initial starting point."* A respondent from London City Airport said, *"You have to own it, this consultation. It has to be owned by the senior team and the Board and the shareholders."* Only London City Airport, who were keen to think about who might be "future stakeholders" admitted to using a Communications Agency to assist with drawing up the list of consultees. The respondent said,

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"At a regional level, we used a communications consultancy to help us identify which stakeholders we should engage with and that's because we knew some of them but the airport was in a different place then and we knew it was going to get bigger and we were planning for it to get bigger and we knew that aviation would move up the agenda." He said they had taken expert advice, *"to ensure that we didn't miss somebody who later came back and said I fundamentally disagree with your plans."* However, Stansted had used an external company to undertake a land referencing exercise and also to analyse responses from stakeholders.

Both London City and Birmingham airports mentioned using their PR/community engagement work to influence their list of local stakeholders. London City and Stansted airports referenced using noise contours, particularly the db57 contour, to define the reaches of their public consultation. Most airports talked about using their Consultative Committee to help draw up their list. Only Birmingham Airport mentioned shareholders and confirmed that, in terms of drawing up their list of who to consult, *"We started off with, strangely enough, the stakeholders that were also shareholders. So that was quite important for us because we had to let the shareholders know what we were doing."* It was interesting that only Stansted airport (both respondents) mentioned airport users (including airlines) as they recalled how they had drawn up their list of stakeholders to consult.

Interestingly, only a respondent from London City mentioned their attempts to garner constructive support from stakeholders and the potential for positive comments to impact the master plan and subsequent planning applications. The respondent said that, in addition to compiling a general list of stakeholders, *"we were also looking for where our friends were. I think there is sometimes an assumption that stakeholders are anti and one of the things we knew all along but we demonstrated is that that isn't the case. You can actually find your friends and get them to do stuff. You know, particularly the big industry lobbying bodies, the CBI, the London Chamber of Commerce, London First, and other*

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organisations of that ilk. We made it quite clear, having a relationship with them that what our expectation is that they are going to get off the fence and be making submissions in response to the consultation. Not saying, oh that's really interesting thank you for telling us. They have got to be active."

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Q3: Who are your dominant stakeholders?

Table A7.2 Dominant stakeholders

Airport	Dominant stakeholder	Illustrative quote
MAN1	Local authority	<i>"I'd say the dominant stakeholders are local authorities, be they county or district councils, the parish councils."</i>
MAN2	Local authority	<i>"I was going to say possibly local authorities. I wouldn't necessarily describe their voice as being the loudest but it's probably the one that you listen to most."</i>
BHX1	Shareholders	<i>"Well, it's an unusual mix really because it's 49/49 with a bit in the pension pot, that's employee pensions, and there's . . . to make the really fundamental decisions, you have to have 75% of the stakeholding but essentially half of that 49 is split between Ontario Teachers and Victorian Funds Management Corporation and then the other 49 and a bit is the seven local authorities. Coventry's got the smallest, I think and Birmingham's got the largest."</i>
BHX2	Local councils, planning authority, and shareholders	<i>"Obviously the main one would be the local councils and the planning committee because they would be the ones that make the decision on the planning applications surrounding anything we do later submit, which is contained within the plan." Also "the Council would be and obviously the shareholders as well"</i>

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STN1	Airlines and planning authority	<i>"The airlines would be uppermost in my mind. The airlines are the people who are going to pay for it and use it and somewhere alongside them, the local planning authority."</i>
STN2	Airlines and local authority	<i>"Clearly the airlines. Clearly Ryanair and Easyjet. But everybody who uses the airport is included in that family and then of course you've got the key authorities as well."</i>
LCY1	Planning authority	<i>"The dominant stakeholder of course is the planning authority. You have got to get them on side. Getting them on side means getting residents and businesses in the area on side."</i>
LCY2	Local authority	<i>"I think to come back to the question about who are the key stakeholders, if we were to pick one it would be the Council, the London Borough of Newham"</i>

One respondent from London City emphasised that Central Government are not considered a dominant stakeholder by the airport. He said, *"Well, they don't pay us much attention and we don't take any notice of them. We stay out of their way in the main. They are not a dominant stakeholder, not really . . . Central government is not that important to us. We are running a niche business in a defined geographical area. I'm not suggesting that our position is translatable into others: I think that might not be the case."* A respondent from Stansted Airport, when asked directly about the importance of the CAA said, *"The CAA studiously avoid and show signs of continuing to want to do that. It's an ultra-safe approach but then they have been taken to judicial review by airlines of course, so it's not without some justification as well."*

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Q4: Did you involve the opinions of your shareholders and if so, how?

All respondents answered in the affirmative to this question except one of the respondents from Manchester Airport. The general feeling was summed up by a respondent from London City, who said, *"getting shareholder views is clearly important but you get those at the development stage because it's through the Board and the Board, as the representative of the shareholders say, yes we love your development plans, we like your master plan or we don't like your master plan – go away and change it before you go out to public consultation. You wouldn't ever go out to consultation on something which hadn't been endorsed by the Board."*

All respondents noted the distance that shareholders keep from managerial process, which includes the master planning exercise. At Birmingham Airport, the Board had been involved but *"somebody else"* had managed this process, presumably *"through a series of Board meetings"*. At London City, *"There was one shareholder who was represented on the Board and the Board was fully aware of what was going on . . . He was 100% of the company so nothing happened without him knowing about it and vice versa. Did he as a shareholder write a letter of support? No, I don't believe so."* At Manchester Airport, the respondent who said that shareholders were not involved reported that, *"in terms of the role that the shareholders play in the day-to-day running of the business, they don't. They take a very back seat and take it almost as an investor would in any other plc"*. At Stansted Airport, in addition to briefing their shareholders, managers had held an analysts' briefing with presentations from senior staff including the Managing Director. However, a respondent from Stansted admitted that shareholders *"don't really have any interest in where that runway is because the obligation on you is to deliver the most optimal solution. So they are paying you to do that job implicitly and explicitly to achieve that. If they had a personal view on it, it wouldn't – it sounds awful - but it wouldn't be that important"*.

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On the subject of majority versus minority shareholding, a respondent from privately owned London City explained that, *"the Board will need to represent the interests of the shareholders as a whole. Now, the fact that somebody owns point zero, zero, zero one percent of the asset and they have a different view, well that's not going to carry an awful lot of weight. If they are a shareholder that has a significant shareholding, sufficient to have them individually represented on the Board, then they will have a shout in that debate. But at the end of the day, the Board will come to a conclusion and say to the management of the airport, yes we like it, no we don't like it."* This viewpoint was confirmed by a respondent from publically owned Manchester Airport, who said, *"all the other Greater Manchester authorities have only a 5% ownership interest. They don't exercise or they don't voice as many concerns as shareholders, generally. With the City having the dominant share, clearly there is a bigger dynamic there between what the City say and what we do. With the rest, it is more of a standard consultee relationship, to be perfectly honest, and some of them, be it for political reasons or other reasons, will choose to speak out."*

A respondent from privately owned London City, alluded to the strategic decision-making of the Board: *"They would say, actually we don't want to develop this, we just want to milk the revenue for as much as we can and we don't want to make any significant investment in it. Or they might say the other thing. They are going to have to sanction the money at the end of the day or raise the funds or whatever so that's the role there. I don't think – well, I'm not aware – you may be - of draft plans going to shareholder meetings or AGMs before they are put out to consultation."* He also pointed out that, *"why would you be investing in an airport if you didn't want to see that airport become more successful. You may have different views about what more successful means but presumably you want your investment to appreciate in value, dividends to increase, and returns to improve. So if management is coming up with plans to do that, they are certainly worth entertaining even if you subsequently disagree with them."* At Stansted, a respondent explained that, from the Board's

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perspective, the master plan exercise is about investing in or possibly gambling on a possible positive decision in the future: *"The decision of the Board is, we expect to spend a couple of hundred million pounds taking this forward and getting permission for it. The business case looks like this as we see it for now. So basically, if you can charge the right amount of money to remunerate the investment - decision by the regulator some years into the future – then it's an investment that could make money. Not guaranteed but against that background are you willing to invest a couple of hundred million pounds now and giving you the option to invest later on?"*

Specifically on the topic of local authority owned airports and the potential conflict of interest this presents, one respondent from London City said, *"You have got the local authority who is a shareholder that has a financial interest. They are the economic planning body and therefore are looking to develop the economic activity in the wider area, region, what have you. They are also the environmental body and therefore have concerns about negative impacts of an airport's operation. They are also elected Councillors and so they have to look to their vote at some time, less than four years time. And combining on to all of that, they are the planning authority and they make the decision. How do they segregate all of those things and make an unbiased decision?"* However, a respondent from Birmingham Airport was emphatic in his view of the focus of the shareholders: *"Is this airport important for shareholder value or is it important as an economic driver of the region? That's where we started actually and because of the ownership of this airport with seven local authorities owning 49%, there is a very strong desire to recognise that this airport actually is an economic driver of the region."* However, a respondent from London City speaking about his experience with an airport outside of the case studies was of the opinion that local authorities, *"want things to improve but we don't want them to change"*. He felt that community leaders, particularly Councillors, because of their desire for re-election, reflect the views of the community rather than leading the way and are reluctant to take *"brave decisions"*, which ultimately *"drives everything down to the lowest common denominator"*.

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Q5: How did you establish a process for the master plan consultation and the changes you made between draft and final plans?

Open coding was used to analyse responses to this interview question, which have been summarised and are shown below.

Table A7.3 Process used in making master plan changes

Source	Summary of response	Category
MAN 1	We were fair and even handed	Managerial power
MAN 1	Pressure of listen to everyone because of relationship with City Council	Stakeholder power
MAN 1	To make the planning application process easier	Planning authority power
MAN 1	Intuitive process not formulaic	Managerial power
MAN 1	Instinctively know who to take notice of	Stakeholder power Institutional pressure
MAN 1	Complex decision picking up political and commercial signals	Stakeholder power
MAN 2	Lack of response	Stakeholder apathy
MAN 2	Consulting on options (rather than one choice) using a quantitative method is a very different process. A qualitative process provides distance between managers and stakeholders	Procedure
MAN 2	Text only changes	Procedure Stakeholder power Managerial power
MAN 2	Negotiation with City Council	Stakeholder power
MAN 2	It was a decision amongst ourselves	Managerial power
BHX 1	Tick list	Procedure

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		Managerial power
BHX 1	Showstoppers	Stakeholder power
BHX 2	Themes popping up throughout the analysis	Procedure
		Stakeholder power
		Managerial power
BHX 2	Easy fixes	Managerial power
STN 1	Structure of decision making team	Structure
STN 1	Black box decision making	Managerial power
STN 2	Consulting on options "optioneering"	Procedure
STN 2	There wasn't a 'do nothing' option	Managerial power
STN 2	Preferred option	Managerial power
STN 2	Little constructive debate at a local level	Stakeholder apathy
		Local versus national issue
STN 2	Lack of response	Stakeholder apathy
LCY 1	Professional advice from consultants and advisors	Professional power
LCY 1	Process dependent on volume of responses	Procedure
LCY 1	Lack of response	Stakeholder apathy
LCY 1	Managerial decision	Managerial power
LCY 1	Themes	Procedure
LCY 1	Management response postponed to planning application process	Managerial power
LCY 2	Show all comments as record of what they said	Procedure
LCY 2	Management figure it out – it's not a formulaic process	Managerial power
LCY 2	Structure of decision making team	Structure
LCY 2	Objection not reason for change	Managerial power
LCY 2	Lack of response	Stakeholder apathy
LCY 2	Where comments are from	Key stakeholder power

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Q6: *Is there a widely accepted or even taken-for-granted (amongst airport managers) way of handling stakeholder consultation in the master plan process?*

Responses to this question, when open coded, varied both between and within cases. For Birmingham and London City airports, one respondent was of the opinion that there was a standard way of handling stakeholder consultation and the other thought the opposite. At Manchester Airport, both respondents hesitantly admitted they felt there was not a widely accepted approach. At Stansted Airport, one respondent felt there was a standard approach and the other said he was so wary of sharing any information with other airports that he did not know how they handled their consultation. This respondent's view was that having a discussion with managers from other aerodromes on anything other than security, safety, and regulatory issues ran the risk of an accusation of price fixing. Interestingly, this viewpoint contrasted with the view of a respondent from Manchester, who said, *"the Airport Operators Association have regular meetings of the planners who are at different airports and so there can be some degree of sharing of experience and sharing approaches and things like that or at least recommending sharing of approaches to quite a lot of issues and there's a lot of discussion about the master planning exercise."*

A respondent from Stansted Airport talked about part of the decision-making process being to play back stakeholder opinion inside the company. He said, *"So you would play back what you've heard to one or other of the internal airport groups. It might be an airport Board, it might be a lower level group within the airport structure, still using some of the airport directors."*

Of the five respondents who did not think there was a widely accepted or taken-for-granted way of handling stakeholder consultation, one respondent from London City Airport said, *"No, I wouldn't think so. I have had more than one lively debate with other airports who regard this all as the work of the Devil."* One of the respondents from Manchester Airport said, *"We've had visitors up*

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from other airports in the southeast where we say this is what we do and the reply back is we could never do that. We couldn't have that as a conversation."

Of the three respondents who did feel there was a common way of handling stakeholder consultation, one respondent from Birmingham Airport said, *"in terms with how the consultation was planned, I think it's probably like that for the big development. It's a fairly standard one."* A respondent from Stansted Airport agreed, saying, *"in process terms it's pretty much the same at every airport, for every master plan however complex. The process is kind of the same."* A respondent from London City, whilst agreeing there is a standard approach imported from other airports he had worked at, felt that, *"We did what we thought was right, fundamentally. I don't think that we studied a book that said you've got to do this and you've got to do that."*

Respondents from both privately owned airports, Stansted and London City, mentioned the use of consultants, and Birmingham (now part privately owned) declared the intention to use consultants in the future. Conversely, a respondent from Manchester Airport said, *"I think also our ownership and the wider view of the role of the airport as part of its community in its biggest sense, we understand."* At London City Airport, they had used a wide range of consultants and had even convened, *"a very interesting meeting that would have been the most expensive meeting that I had ever attended if the clock had been running. We called together all our consultants and advisors on everything that we had thought of prior to finalising the draft master plan and presented it to them. So it was our lawyers, it was our auditors, it was our marketing consultants, our PR company, our noise advisors, who had all been involved in their particular areas of it or not involved at all and we must have had 30 advisors"*. Stansted Airport had also made full use of a wide range of consultants. He said, *"Well, don't forget . . . I mean we, at this stage . . . well putting in applications and the like, you've got a huge professional team that are doing a whole raft of different things and within there, the structure of the consultation is prepared for your consideration. So the design of it and the*

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extent of it, logistics, are all done by people you've paid to do that. It isn't just a question of planning consultants saying, "well, I'm going to do this, that, and the other." You have significant legal advice, usually by very highly paid QCs, planning QCs, who make sure the consultation is effective because you could actually defeat your own application if you did it in a buckshee manner. So you've got a very significant team that actually put together a proposal. They articulate what that would mean. They then have to satisfy themselves that it would be legally robust and then they do it. So arguably, my discretion is tiny because you might not like the colour of the brochure or the photograph of you on the front cover . . . because you can't fiddle with certain things because to do so, frankly, might ruin the subsequent application that's based on your plan."

Respondents also mentioned the need to learn from other types of consultation – both for bad procedure (High Speed 2 and Heathrow mentioned) and best practice: *"You need to, I think, look at some of the experience that's been done, I think with things like National Grid Supply recently in Scotland who had a consultation about new power lines and all the rest of it. And I think there's going to be lessons to be learnt from that kind of consultation."* Indeed, a number of respondents mentioned the evolving nature of consultation and particularly the growing focus on process and the need to *"be absolutely spot on with procedure because we don't want to end up at the end of this and find someone tries to trigger a judicial review"* (BHX1). This respondent noted the current guidance for CAP 725 airspace consultation, saying, *"essentially what you have to do is convince the department that the process you are putting in place for the consultation is one which is fit for purpose. . . . They don't tell you what to do but you tell them what you're going to do. So if you like, they don't want to end up getting the flak again. It used to say something like, 'you must consult', whereas now you must satisfy us in advance that the process for consultation is right."*

Finally, a number of respondents talked about the importance of external relationships in handling the consultation process. These included relationships

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with the local community and the local authority, and a disconnect between the master plan process, the planning application process, and the CAA's decisions over airspace use: *"there's no use having a runway that's there but you can't use it because you haven't consulted on the departure routes. We had two-hour links and the interesting thing in all of this is that the planning process doesn't take any licence of the departure routes either. There is a bit of a disconnect. So you can build the runway . . . there is a general recognition of what the routes will be but until the CAA has noted it down you can argue that you are in the lap of the Gods. You could build this and then you could be in a position where someone says, well we're not going to do that route."*

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Q7: *Did you do anything differently in your decision-making process from what you consider to be the norm in the airport sector?*

The following table summarises the responses to questions 6 and 7, where Q6 asked respondents for their views on whether there is a widely accepted means of handling stakeholder consultation and Q7 questioned whether or not the respondents had done anything differently from what they considered to be the norm.

Table A7.4 Comparison between answers to Q6 and Q7

Source	Q6: Widely accepted process	Q7: Different from the norm
MAN 1	No	Yes – planning takes a different view to the rest of the organisation
MAN 2	No	Yes – we like to do things differently
BHX 1	No	No norm
BHX 2	Yes	Yes – more local communication and meeting with environmental pressure groups
STN 1	Yes	No – “the stakeholder engagement bit of it I think is pretty clear. Also the internal decision-making process within BAA I think is pretty well tried and tested.
STN 2	Don't know	Yes – “We did it well!”
LCY 1	Yes	No
LCY 2	No	No norm

Notable comments came from London City Airport where the respondent described a lack of replicating consultation processes between airports. He

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said, *"I think we did what we thought to be right. I don't believe we strongly consulted – I'm sure we had the odd conversations but not formally consulted other airports – and said how did you consult on your master plan because we're doing . . . principally because most of the airports were doing it at much the same time. A lot of them were running around at a similar time producing stuff. We were slightly behind the curve but we might have been in the middle of the pack rather than . . . we certainly weren't the leading airport, the first ones. And we did look at what others had done in terms of style of documentation, level of detail, range of issues consulted and considered and I guess, although I don't specifically remember, I guess that would have included types of consultees or groups of consultees – oh, that's a good idea, we ought to look at those people. But it was all relatively new in those days and you made it up as you went along and you did the best you could."*

At Manchester Airport the respondent talked about the difference in the processes used in different sections of the organisation. He said, *"Because of the planning relationship and the role that we have within the organisations, probably that process that I was talking about before about intuitively knowing what you can and can't and should and shouldn't take on board and what is of value to take on board, perhaps doesn't occur in other sectors of the business to that degree. You are probably right. There will either be like a sausage machine churning out decisions based on a formula that happens in certain parts of the business or there will be a very, very commercially driven decision-making process that would come up with something completely different as well. So I think in the planning and master-planning world, there probably is a different process from that that exists throughout the rest of the core business - within airports."* This same respondent went further by noting, *"It's remarkable actually, how much the business falls in line with what the master plan has come up with as the preferred approach and our business plan is therefore the master plan in terms of capital delivery etc"*.

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The other respondent from Manchester Airport described why their approach differed from the norm. He said, "*The approach that we like to take is that we like to do things differently. And again it comes back a little bit to what I was saying about the master plan guidance. There was a piece of guidance: we didn't think that would work so we ended up doing our own thing. And would do that. We are confident in our own knowledge of our stakeholders and our community to know that that's the best way to do it. And we will do things very differently at our four airports. What works at Humberside is not the Manchester approach.*"

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Q8: *How do you think the way the airport is owned (privatised/public/etc) has affected the way decisions were made about how you changed your draft master plan?*

Open coding was used to analyse responses to this question and illustrative quotes together with a summary statement representing the basis of each response are shown below.

MAN1: Party Politics affect the way decisions are made

"And yes, that can have an effect. However, when you are dealing with local members, sometimes the party politics bit drops out a bit and it is just about the noise affecting their community or this, that, and the other. It doesn't necessarily become Party politics but as an authority as a whole, then yes it can have an effect. It depends which level we engage. I know on an officer level, that will simply reflect the politics of the authority in general – for most of the time."

MAN1: Public ownership gives confidence to other airport authorities

"I think the fact that we had that ownership background gave the other local authority a little bit of confidence that we weren't going to try and hoodwink them and were trying to get something through on the sly. You know, I think there was an expectation perhaps on their part that we wouldn't behave in that particular way."

MAN2: Public shareholders take a long-term view

"I think . . . that for Manchester Airport, the shareholders over many years have taken a very long-term view of the business because of a recognition of the contribution the airport makes economically to Greater Manchester. They are unusual investors, if you put it that way because of that longer-term view and in the past they have actually chosen not to take a dividend out of the business, for example, as a group of investors in order to enable the, what would have been the dividend, to be re-invested into the business. But they still do take a fairly firm view about the rationale for this business is to generate shareholder value and to generate a return on their investment. And that's what the business does but they would counterbalance that by saying but yes, we are

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also in this for the long term because the shares aren't traded and if any one of the local authorities wanted to sell their shares, then there's a requirement to sell them on to one of the others. So they are not quite under that same level of pressure that say a publically quoted company on the Stock Exchange is. But they will still have that robustness and that, we are in this for value."

BHX 1: Clear difference between public and private sector objectives

"Our local authorities have always been very clear but when we got into our new ownership . . . "

"you've bought an asset and you want to make sure you are going to get the most out of that asset. I think that given the value of airports over the intervening years . . . it's whether you stick or you twist, isn't it. But if you've got the longer-term vision, then that's how you build yourself out of it."

"They had used this investment to leverage other investments and I think that they were quite keen to move onto other things."

BHX 2: Clear difference between public and private sector objectives

"Going forwards we do partly engage with our communities but before in terms of our approach to everything it's been very local authority because of the ownership – how it was before."

"Things are clearer in terms of objectives from the private ownership thing. So there's that influence"

STN 1: Yes, there is a difference between a nationalised airport, a public limited company with many shareholders and an airport under independent private ownership: -

Nationalised organisation:	Little user consultation
Public limited company:	User consultation a priority, less consultation with other stakeholders and less disclosure of corporate information because of duty to shareholders
Independent private company:	Continued emphasis on user consultation

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“BAA as a nationalised industry up until privatisation in 1987, BAA as a plc from 87 to 2006, and then BAA under independent shareholder ownership since 2006 and all the processes were all quite different. Bearing in mind these processes have also evolved a great deal over that period of time, where nowadays much more importance is attached to stakeholder engagement than was the case 30 years ago now, so this has got to be seen against that backdrop.”

“Well, as a nationalised industry where the Treasury very much had its hand on the tiller of money spent. The mother department in the shape of the Department for Transport and to the extent that it was necessary, the Treasury, not normally necessary expect in relation to specific investment decisions, would have to be consulted on master plans – is that the right word? They certainly would be informed by the airport as to what was being proposed and would be given the opportunity to have their say before it gets into any process for consulting local authorities. Now, in those days as a nationalised industry, frankly there was a lot less user consultation, airline user consultation undertaken in those days but that's partly because the consultation processes evolved but it is also partly because as a government owned entity, you've got much more authority and independence from the views of airline users. There is a bit of this which is about being government owned and there's a bit of it also a bit of a legal issue in the consultation process and they are both active in there.”

“As a plc and as a, for the large airports, a regulated company, user consultation became a very high priority, right at the top of the pecking order, where the amount of consultation and the amount of information we supplied was infinitely greater than as a nationalised industry to users and has grown enormously over the time. . . So the airport user consultation bit of it has just increased exponentially since becoming a plc and has not stopped in the third phase of ownership that I am talking about post the takeover in 2006. It's still growing. Privatisation didn't have such a dramatic effect on neighbouring and local authority consultation. The consultation with external stakeholders, external to the airport, so local authorities and neighbours I'm talking about now

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because as I said, privatisation had a very dramatic effect on airport user consultation including master plans. It didn't have a very dramatic effect on local authority and neighbouring consultations. If anything, the mood was to, amongst the new privatised owners of BAA, was that their first duty was to shareholders and for proper reasons to do with city rules and regulations because a plc, you should not be going talking to neighbours about things that investors, well potential investors, should know about. So there was a mind set post-privatisation to want to consult local authorities and neighbours less and to say much less about what the airport business was doing. . . if you look at BAA's annual reports . . . up until privatisation there's a wealth of information provided about what the business was up to and what it was doing and what it was thinking. Then look at the 1988 version or the 1989 or 1990 version and there's very little information in there other than financial information for shareholders. So on general consultations with neighbours, general provision of information, less was provided but not on master plans. Because there was still a recognition within the company that what the airport was intending to build on its master plan very often would need planning permission. I think the most pejorative way to put it would be to say it's making a virtue out of a necessity."

STN 2: No effect due to privatisation but could be different depending on strategy of company

"It didn't have any effect. You have to start without any preconceived ideas – you have to clear your head of those – because to have preconceived ideas means that you are likely to fail, because you will be found out in an inquiry. So the ownership is irrelevant in that sense, other than you need to make sure your shareholders give you that latitude and know, first off, it will be very expensive and not necessarily guarantee success. If you have got shareholders, that luckily we did, who will support you in that, then you are in a great place. If you had shareholders that were flaky, who were trying to nickel and dime it, you would have been found out very quickly. We were very lucky. We had brilliant shareholders both as a public company and then when we changed hands in 2006, the private company – they just let us carry on. They were brilliant."

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LCY 1: Yes there is a difference and it is important to build consensus between the private and public sectors

"I kind of think that a local authority owned airport is likely to be able to say we are doing this for the good of the area rather more easily than a private sector owner who will, amongst the objectors be permanently caste as money-grabbing and just doing it for a profit and laying waste to the local area."

"What's important is to try and build a common view between the local authority and the airport developer."

"What you need to do is build a consensus around and hopefully an abiding consensus around what the airport can and should be able to do and political stability helps that."

In local authorities without a majority, "the airport gets kicked around like a football. So I don't make progress because one lot says no and the other lot says no and they shout at each other and say that back in 2003 if you had only just done that then we wouldn't be here. Well that doesn't actually get us forward any way."

LCY 2: No, any difference depends on local circumstances

"So I think all airports will approach it according to what their local circumstances are and what their local market is, what their land holding is, where they are. Is noise and carbon a real issue or not? I don't think you can have one overarching approach to this."

In summary, the respondents from Manchester Airport talked about Party Politics affecting the way decisions are made. They also said public ownership gives confidence to other airport authorities and that public shareholders take a long-term view. Respondents from Birmingham Airport, with experience of several types of ownership patterns, both thought there was a clear difference between public and private sector objectives. The respondents from Stansted Airport differed greatly in their opinions with the respondent with experience of three types of ownership pattern saying there was a difference in consultation with users (more) and other stakeholders (less) as well as in disclosure of

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corporate information (less) between a nationalised airport, a public limited company with many shareholders, and an airport under independent private ownership. The other Stansted respondent felt there was no effect due to privatisation but that the strategy of the airport could make a difference to the way consultation was handled. Similarly at London City Airport there was a difference of opinion between the respondents with one believing there is a difference and pointing out the importance of building consensus between the private airport and public sector organisations such as the local authority. The other respondent felt there are no differences due to ownership but that local circumstances such as geographical constraints on the airport could cause differences in decision-making.

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Q9: *How radically did you change your draft master plan after consultation?*

Responses to this question were open coded. All respondents from Manchester, Birmingham, and London City airports said the changes to their draft master plans had been minor. At Birmingham Airport, one respondent did, however, point out that they were consulting on an additional runway, which was dropped after the consultation. Whilst this constitutes a major change, the airport had not wanted to have to consult on a second runway but was obliged to after the Government identified it in their 2003 White Paper. Respondents from Birmingham and London City airports both mentioned that the lack of changes could have been due to the amount of preparation they had done with local people before the consultation. The respondent from London City said, *"At one level it was because we had done such a good communication job beforehand that nobody got any surprises with what we put out. I would think that is probably the main reason"*.

A Birmingham Airport respondent also pointed to how important it was to have got the local authority onside before the draft plan was sent out. He said, *"I think the other thing that is absolutely fundamental and fair to my planning guy who's not here anymore, was a lot of involvement with the local authority planners. So we worked very closely with them from day one. You could argue in the current environment there are those that probably criticise us and say we are overcautious but actually I think it helps to get these people onside and have an understanding early on. And that worked through everything from the technical planners to the politicians."* One respondent, who did not want to be named, also pointed to the negotiation involved in making change between draft and final master plans. He said, *"It's the same as we do all the time in business negotiations. All that changes is the people you're negotiating with. That's what you do. And in a negotiation there has to be some give and take. The wise negotiator has something he can afford to give up."*

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At Stansted Airport, the first respondent said they had made major changes between draft and final master plans. Specifically, the runway had been squeezed in and there had been a significant mitigation and offsetting strategy. The respondent said, *"so having brought the boundary back in because of the environmental and the ecological effects that the proposal was having on the area, we wanted to take more of the land back into the airport for mitigation"*. They had also changed from mixed to segregated mode and overall, *"were reducing capacity, reducing cost, and reducing the environmental impacts"*. Indeed, it was reported that these changes had been, *"in response to the consultation but to be right about it, we were thinking about it for financial reasons as well"*. Somewhat in contrast, the other Stansted respondent, whilst confirming the changes, viewed the situation rather differently. He did not consider any changes had been made as they were consulting on options and the only real change between draft and final master plans was the choice. He said, *"the consultation in so far as it was effective, informed to our thinking and allowed us to make a decision. Until that was complete we didn't make a decision. So we waited. We assimilated all the responses. We looked at the issues that had been raised."* However, the final choice was the airport management's preferred option but with the changes noted before.

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Q10: Which of your stakeholders caused this/these changes?

Again, open coding was used to analyse responses to this question. For Manchester Airport, one respondent thought the stakeholder who had caused the changes to the draft plan had been the Local Authority. He said, *"I think predominantly it is the local authority in which you sit."* Interestingly, this respondent was closely aligned with the local authority saying, *"Now, being local authorities themselves, they would similarly take or pay attention to responses from people like the Natural England, Highways Agency, Environment Agency – you know, the government bodies that have some form of responsibility or external control they can exercise over the local authority making decisions."* He also noted that, *"it can depend on the political dynamic of an area as well"*.

For Birmingham Airport, the dropping of the second runway was viewed to have been a combination of two main reasons: Firstly, *"lots of opposition from the local community because it would have included a massive buy-out of properties"*. This had resulted in, *"a huge expectation about what the airport would offer in terms of how they buy properties"*, which would have increased costs. In addition to the consultation, the second reason, which, *"went on behind the scenes"* was a revised traffic forecast that, *"took the second runway out of it up to 2030"*. The respondent said, *"I think the two did come together to influence the final outcome"*.

At Stansted Airport, local people from a particular village that would have been affected by development of a second runway had, *"made representations to us in a variety of different ways"*. In terms of the boundary issues, *"it was partly in response to local pressure, partly in response to us trying to ensure ourselves that the boundary was no bigger than it needed to be to take cost and environmental . . . they were pushing at an open door"*. The offsetting and mitigation scheme was partly in response to, *"people saying the environmental effects they thought were too high and they needed to be reduced"* but, *"to be honest about it, it was more in relation to the advice we were getting from our"*

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own ecological adviser who is very highly respected in that area and who had put forward this significant offsetting and mitigation scheme, which meant that the net adverse ecological effects were much reduced from what they would have been otherwise. Having a specific proposal from her was much more influential, to be honest, than people just saying it's too great".

In terms of who had prompted changes, a London City respondent said, "*None of them came up with fundamental go away and rethink issues*".

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Q11: *Given that your stakeholders had quite different points-of-view, how did you decide how to juggle these opinions?*

This was a key question to airport managers, designed to elicit a description of the process used to decide which of the stakeholders' views to take account of and which to ignore. Analysis of this question first involved considering the data holistically, both the text and the fieldwork notes. It was evident respondents found the question difficult to answer. The overwhelming impression was that the decision-making process is so deeply taken-for-granted that its workings are almost invisible, even to those involved. This indicates that the process is institutionalised, at least within the case study airports and possibly within the airport sector as a whole. Indeed, respondents exclaimed, *"That's quite a challenging one"* or made deeper reference to the institutionalisation involved: *"Well, it's very simple. Those that agree with me are right and those that don't are wrong. There is an element of that."* There was also, *"At a totally human level, the better argued and presented the case, the more credence the argument they put forward, which is probably completely wrong but it's the way of human nature, I would think."* Another airport manager said, *"We stuck with what we thought in our heart-of-hearts was the right judgement to make. . . Our value judgement had to be based on in our heart-of-hearts across this balance of interests"*. He also said, *"It is value judgement at the end of the day. There's nothing that can tell you what's the right . . . there is no obviously right or obviously wrong answer, there are just different answers depending on what you regard as important."*

The open coding that followed identified a number of themes. Both respondents from Manchester Airport talked about the irreconcilable nature of the process of taking account of stakeholder opinion. The first said, *"it is exceedingly difficult because it's a circle that never meets. You will never get those views to coalesce and sit together at any one time. It just doesn't happen"*. The other respondent said, *"I don't think you can try and score it. You record it but trying to trade one off against the other is very difficult if not impossible"*.

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At Manchester, one respondent focused on what they need to do to “*alleviate some concerns whilst still protecting the licence to grow that we need*”. He said, “*the people who give us the licence to grow, effectively, are our immediate local authorities and we have to be alive to the sensitivities they have to juggle. And I think perhaps our role is making sure that our own airport stakeholders, our airlines, our tenants, our concessionaires, people like that, are as aware of what our responsibilities are to meet those concerns. Because it’s all well and good them saying, well that’s no good for us, but if we can’t deliver something because we aren’t prepared to give a little on something, it doesn’t get delivered full stop.*” He was also of the opinion that, “*if it means just giving a little to get a lot then that’s how you do it*”.

The other Manchester respondent talked about the difference between consulting on one option and choosing between options. In the latter, analysing responses was much easier as, “*you just physically go through it and you count the numbers and do the story*”. In a consultation on a preferred option only, he said, “*In terms of what issue is more important than another, I’m not so sure we tried to be scientific with that because it is very, very difficult to try and put a score to somebody that may consider some ecological biodiversity in the river valley to somebody who may consider more traffic congestion*”.

One of the Birmingham respondents talked about “*showstoppers*”. He described a showstopper as, “*Something that would turn into a fundamental objection and something that would be a denial*”. He gave the “*urban myth*” that Hampton-in-Arden church would be demolished to make way for the second runway, if it had been true, as a showstopper as well as public transport, and planting trees. He alluded to a three tier process for handling stakeholders’ points-of-view. Showstoppers were at one end of the spectrum and at the other were, “*matters of detail that were just a matter of well, of course we can do that, if you want it done that way – tick in the box*”. There were then, “*the things that fell in between*”. These he said, “*we looked at them on merit of cost and what we thought the utility was to the local population*”. The reason for satisfying these

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less significant comments was that they *"helped to smooth the way"*. The other Birmingham respondent talked about giving priority to negative comments. Specifically, *"In terms of influencing the final report, I think the first point you would try and address the negative comments and adapt the big ones, like I said before, the easy things you can do - change - that doesn't cost too much or create too much effort. Do those and then you've got less of the juggle then."*

For Stansted Airport, answers to previous questions had established the *"black box"* nature of their evaluation criteria (*"we were also advised by a leading QC that there was a necessary extent to which we needed to keep our value judgements in a little bit of a black box"*) and described the process by which airport managers had 'juggled' opinion (as described in response to question 5 above). In addition, this respondent was at pains to point out the problems the airport had with the airline stakeholders, particularly *"Ryanair especially were very difficult to deal with"*. Because of the ongoing opposition from the airlines, the Stansted Airport managers had discussed changing their preferred view to come in line with the airlines' preferred option. In the end though, they had stuck with their original preferred option because, *"we still thought that the scheme in the final proposal was the right one"*.

The first Stansted respondent used the White Paper second runway proposal against which to measure the airport master plan's environmental mitigation. He said, *"Depending on which topic you were looking at, I can justifiably say we got the environmental effects down by between one third and two thirds from what they were in the White Paper. In other words, put crudely, that was our way of saying, if the policy was right, the balance of benefits and dis-benefits was right at the time of the White Paper and the benefits are the same or a bit less than they were then but the environmental effects are significantly less, then we must be even more right and that was the position we wanted to get ourselves into."* He did, however, point out that whilst in one instance the airport had given way to stakeholder opinion, *"putting the interest of the village above our own commercial interests"*, this could still be postponed, *"because*

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that's the last bit you do, you could defer it for quite a long time in the capital programme". This respondent concluded that, *"there is no obviously right or obviously wrong answer, there are just different answers depending on what you regard as important."* For the other Stansted respondent, *"optioneering"* (as described in question one above) had negated the need for 'juggling' stakeholder opinion.

At London City Airport, one respondent said, *"I think the responses to a consultation will, for the most part, be challenging. Not many people will write at length"*. He commented that, in regard to the draft master plan, stakeholders *"may challenge it, they may ask for more information, they may suggest that you are completely wrong, that you are asking the wrong questions"*. In response, he said, *"you have to take them into account. You have to consider them and give them reasonable credence."* The other London City respondent talked about economic development issues. He said, *"The economic development issues are the same for every group, whether opponents or proponents. For example, we will say we want to do a development and create 500 jobs and the opponents will say, well you say it's 500 jobs but I bet it's only 390 really and half of them are part-time. We are still dealing with the same statistic but we are dealing with it from a different angle."*

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Q12: Do you think the final master plan reflects the airport's desire to find a balance/equilibrium between the views of stakeholders? Or do you perhaps attempt to create innovating solutions to the problems raised by stakeholders? Or do you think the most dominant stakeholders tend to get their opinions incorporated into the master plan?

This question was based on a series of *a priori* themes derived from the literature. Responses to this question are described in the main body of the thesis in section 6.6, which commences on page 199.

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Q13: Can you describe your main issues with the master plan process?

Responses to this question were open coded and then grouped into positive and negative issues, as shown in the tables below. Some *in vivo* coding has been used.

Table A7.5 Main negative issues with the master plan process

Negative issues	Source
The 2003 White Paper	BHX2
	MAN1
	STN1
Unhelpful guidance	LCY1
	MAN1
Unofficial status of master plans	MAN1
	STN2
Changing national approach	MAN2
	STN1
Value not in proportion to effort	STN1
	LCY1
Extent of assessments required	BHX1
It was a new process	LCY1
<i>“Wary of lifting our skirts and showing our ankles”</i>	LCY2
Planning time frame/horizon too long	MAN2
<i>“Ebb and flow”</i> of local politics	MAN2
Airlines	STN1
Clash between planning and regulatory processes	STN1
<i>“Apples for oranges type comparisons”</i>	STN1

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Table A7.6 Main positive issues with the master plan process

Positive issues	Source
<i>"Setting out our stall"</i>	LCY2
	MAN2
<i>"Nice simple constrained site and a nice simple set of issues to deal with"</i>	LCY1
Planning/preparing for a long time so no surprises	LCY1
<i>"It's our raison d'être"</i>	MAN1
2003 White Paper drilled down to individual airports	MAN2

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Q14: Do you think these issues are the same for all airports?

Open coding was again used for analysis of this question.

Table A7.7 Similarity of issues for airports

Source	Yes/No	Summary of answer
MAN 1	They should be	Depends on relationship with Local Authority
MAN 2	Yes	Power of major airline – pulling out will disrupt any master plan (excluding LHR) <i>“issue of long-term over short-term and flexibility and how a very externally focused document can fully reflect the way that the business grows and develops is the same for all airports”</i>
BHX 1	Yes	Good stewardship Effect on health (particulate debate, NOx levels, no net difference in negative effects)
BHX 2	Yes but . . .	Depends on geography of airport
STN 1	Yes	Power of airlines and potential to disrupt the process
STN 2	No	Depends on relationship with Local Authority and community
LCY 1	No	Noise is common Depends on geography of airport: <i>“Everybody has to address every issue”</i> but to significantly different levels
LCY 2	Some	Noise is common but no national programme to address it

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Q15: What is your view of the government's guidelines on running the consultation process?

Open coding was used to analyse this question and the following is a summary of each response:

Manchester Airport – both respondents' answers can be summed up as an in vivo quote from one of them as “*teaching grandmother to suck eggs*”.

Birmingham Airport – both respondents felt the guidance was “*fine*”. One respondent specifically mentioned the need for transparency and the other the need to have the flexibility to include a local dimension.

Stansted Airport – there was also the ‘teaching grandmother to suck eggs’ response as well as mention of the perceived unnecessary burden of the frequency of the master plan review.

London City Airport - both respondents were quite disparaging about the Government guidelines. One respondent said the first draft was “*ridiculous*”. He expanded by saying that in this draft, “*every single airport was going to have to do its own independent study of climate change*”. The other respondent felt that, “*governments don't know anything about doing consultations. They should leave it to us.*”

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Q16: If you previously ran a consultation at an airport that had a different type of ownership, how does the consultation process differ? Or how closely does it mirror the public process? What has changed?

The Manchester Airports Group owns a number of different airports (currently Manchester, Bournemouth, East Midlands, and now Stansted). The managers that took part in this study had therefore experienced consultations at other airports. One of the respondents said, *"in our initial relationships with those incumbent authorities where they aren't shareholders, I think the fact that we are owned in that way gives them some comfort that there is at least a kernel of ethical approach within the organisation. And I think that helps it in talking their language for a start and understanding their language and understanding the pressures they come under and then it's our job to educate them as to the sort of pressures that we come under as well."* The other respondent summarised by saying, *"You do things differently, yes. It's different areas in terms of different geographies and different communities and also some of them don't have the same history."*

In his answer to question 8 shown above, one of the Stansted respondents had worked for BAA during its three different types of ownership; nationalised where there had been little user consultation, a public limited company where user consultation, particularly with airlines, had become a priority although there had been less consultation with other stakeholders and less disclosure of corporate information because of the duty to shareholders, and finally an independent private company where there had been continued emphasis on user consultation.

One of the London City respondents had previously run consultations at other types of airport, namely Luton and Manchester. He said he had used, *"the same techniques. These techniques emerged out of Manchester."* Specifically he said, *"it's only about talking to people. Most people are frightened to do that."*

Appendix 8: Salient Stakeholder Coding and Exemplars

Stakeholder	Source	Exemplars from the data
Major Shareholders	BHX1	<p><i>"We started off with, strangely enough, the stakeholders that were also shareholders. So that was quite important for us because we had to let the shareholders know what we were doing."</i></p> <p><i>"I think that what we did was clearly at the end of the day we answer to our shareholders"</i></p>
	LCY1	<p><i>"But a large number of airports are owned by a relatively small number of bodies and there aren't many that have multiple public shareholder ownership. So getting shareholder views is clearly important"</i></p> <p><i>"You wouldn't ever go out to consultation on something which hadn't been endorsed by the Board."</i></p> <p><i>"If they are a shareholder that has a significant shareholding, sufficient to have them individually represented on the Board, then they will have a shout in that debate."</i></p> <p><i>"But at the end of the day, the Board will come to a conclusion and say to the management of the airport, yes we like it, no we don't like it. Go away and think again. Change this, don't do that. But they would set the strategy. That's what Board's do. They would say, actually we don't want to develop this, we just want to milk the revenue for as much as we can and we don't want to make any significant investment in it. Or they might say the other thing. They are going to have to sanction the money at the end of the day or raise the funds or whatever so that's the role there."</i></p>
NOT Minor shareholders	LCY1	<p><i>"the Board will need to represent the interests of the shareholders as a whole. Now, the fact that</i></p>

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		<i>somebody owns point zero, zero, zero, one percent of the asset and they have a different view, well that's not going to carry an awful lot of weight."</i>
Politicians	BHX1	<i>"in doing so they were overflying about six local villages all with very vociferous MPs and politicians who said no-one asked us about this and the whole thing turned into quite an unholy row."</i>
Government	BHX1	<i>"essentially what you have to do is convince the department that the process you are putting in place for the consultation is one which is fit for purpose. They don't tell you what to do but you tell them what you're going to do. So if you like, they don't want to end up getting the flak again. It used to say something like, "you must consult" whereas now you must satisfy us in advance that the process for consultation is right."</i>
Show stoppers	BHX1	<i>"I think that the way we did it, as far as I can recall was that we looked at the things that were showstoppers . . . Something that would turn into a fundamental objection and something that would be a denial."</i>
Local people	BHX1	<i>"we looked at them on merit of cost and what we thought the utility was to the local population. And that started to become something that became the detailed discussion between our planners because there comes a point where, well what do you think to this?"</i>
		<i>"we answer to our shareholders but we made sure that we did right by local people"</i>
		<i>"I think in truth, we did the right thing by local people."</i>
	BHX2	<i>"there was lots of opposition from the local community because it would have included a</i>

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		<i>massive buy-out of properties and there was a scheme developed for blight and the property valuation scheme was developed. There was a lot of opposition to the scheme and there was a huge expectation about what the airport would offer in terms of how they buy properties.”</i>
Local Authority	BHX1	<p><i>“all the time the 2003 White Paper is active, that runway is still a possibility. And Solihull as a local authority safeguards the land.”</i></p> <p><i>“Even before you get to the Section 106 Agreement part of it. I mean the big things that start to hang out like putting forward public transport for example, planting trees, that kind of thing, that’s the sort of thing you end up with in the 106 Agreement anyway.”</i></p>
Local Authority / Council	LCY1	<i>“We had an average factor of one because the two numbers were identical and moving forward, what I was trying to argue was we would have a total movement number of 120,000 and a factor movement limit of 135,000, which means the average aircraft was going to be noisier. The Council wouldn’t wear that and we had to give way on that eventually.”</i>
NOT central government	BHX1	<i>“what we have made quite clear to government is that, even though it sits within the Green Belt, we’re not going to pop our heads above the parapet and demand that it’s safeguarded.”</i>
	LCY2	<i>“Well, they don’t pay us much attention and we don’t take any notice of them. We stay out of their way in the main. They are not a dominant stakeholder, not really.”</i>
Health – general	BHX1	<i>“I think you’ve got to go the extra mile in all of these cases, whether it’s a statutory requirement or not</i>

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population		<i>because the first thing that people are going to pop up with now is what is the effect on health."</i>
Airport managers	BHX2	Revised traffic forecasts so that they, "Took the second runway out of it up to 2030"
	LCY1	<p>If we were "at war with everybody if we tried to achieve it, well, we'd have to take notice of that."</p> <p>"I think we did what we thought to be right."</p> <p>"I suppose a decision that we did take at the outset was not to put out two or three or four different development options but to say this is our proposed route. Do you like it? Don't you like it? . . . But we didn't say, well, we could do this or we could do that or we could do something else. We had already made those decisions ourselves and were putting forward our proposed development route."</p> <p>"Well, it's very simple. Those that agree with me are right and those that don't are wrong. There is an element of that. I think the responses to a consultation will, for the most part, be challenging."</p> <p>"At that time, what we got in response to the consultation was fundamentally an endorsement of what we had proposed. So there was no fundamental change to be made. So there were those that were concerned about aspects of it but we went ahead and proposed a plan that was unchanged from the draft. So that's that."</p> <p>"In terms of how it should happen, I believe that airports ought to take a lead. They shouldn't be looking for the woolly common ground. They should be seeking to advocate and lead forward what is right for the area and advance their case and advance it cogently and advance it in the right arenas and that won't make you friends. But that's</p>

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		<p><i>what you have got to do otherwise we will just sit in a miasma of rubbish because you will end up satisfying no one and irritating everyone because you haven't developed enough for those who want you to develop more and you have developed too much for those who don't want you to."</i></p> <p><i>"And you have got to have the courage of your convictions, you've got to go out there and argue your case and seek to convince people."</i></p>
	LCY2	<p><i>"If you give people their say they will mostly go with you"</i></p> <p><i>"Just because someone objects to your plan isn't a reason to change your plan. It's a reason for you to think about changing your plan but it's not a reason for changing the plan itself."</i></p>
Planning authority	LCY1	<i>"The dominant stakeholder of course is the planning authority."</i>
Major and most influential organisations	LCY1	<p><i>"We took the major and most influential organisations and briefed them individually – sought individual meetings with them in terms of business representation."</i></p> <p><i>"in terms of briefing GLA members and the City Corporation and the Institute of Directors and the CBI and London First and Visit London or whatever they were called in those days and the local Chamber of Commerce and and, and, and - all of those. We briefed them individually, we went and did presentations to members groups, we did all of those sorts of things during that consultation process."</i></p>
	LCY2	<i>"You can actually find your friends and get them to do stuff. You know, particularly the big industry lobbying bodies, the CBI, the London Chamber of</i>

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		<p><i>Commerce, London First, and other organisations of that ilk. We made it quite clear, having a relationship with them that what our expectation is that they are going to get off the fence and be making submissions in response to the consultation.”</i></p> <p><i>CEO is very interested in where comments have come from, “because I want to link that up with the public affairs strategy, communication and people that I’ve been leading. So I want to know who has responded. Where’s the response from the CBI then? So I instantly go and beat up the lady at the CBI and say I am paying a fortune in membership fees, you write me a nice letter. So I’m very interested as much as who we have got responses from as to who we haven’t got responses from.”</i></p>
Consultants	LCY1	<p><i>“We called together all our consultants and advisors on everything that we had thought off prior to finalising the draft master plan and presented it to them. So it was our lawyers, it was our auditors, it was our marketing consultants, our PR company, our noise advisors”</i></p> <p><i>“we must have had 30 advisors running at £500 an hour each and the clock was spinning”</i></p> <p><i>“So it’s making sure your friends are on side as well.”</i></p>
Better argued and presented cases	LCY1	<p><i>“At a totally human level, the better argued and presented the case, the more credence the argument they put forward, which is probably completely wrong but it’s the way of human nature, I would think.”</i></p>
Stakeholders – generally?	LCY2	<p><i>“It drives what we call stakeholders demented because they want to see a plan like this and that</i></p>

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		<i>had a 25 to 30-year life and they think that's our plan. After five years we are doing something different and it drives them nuts. And that's the bit that most people get wrong, that they don't have a plan and stick to it."</i>
Environ- mental campaigners	LCY2	<i>"And if you end up in front of a planning inspector, he's going to listen to the argument from environmental campaigners."</i>
